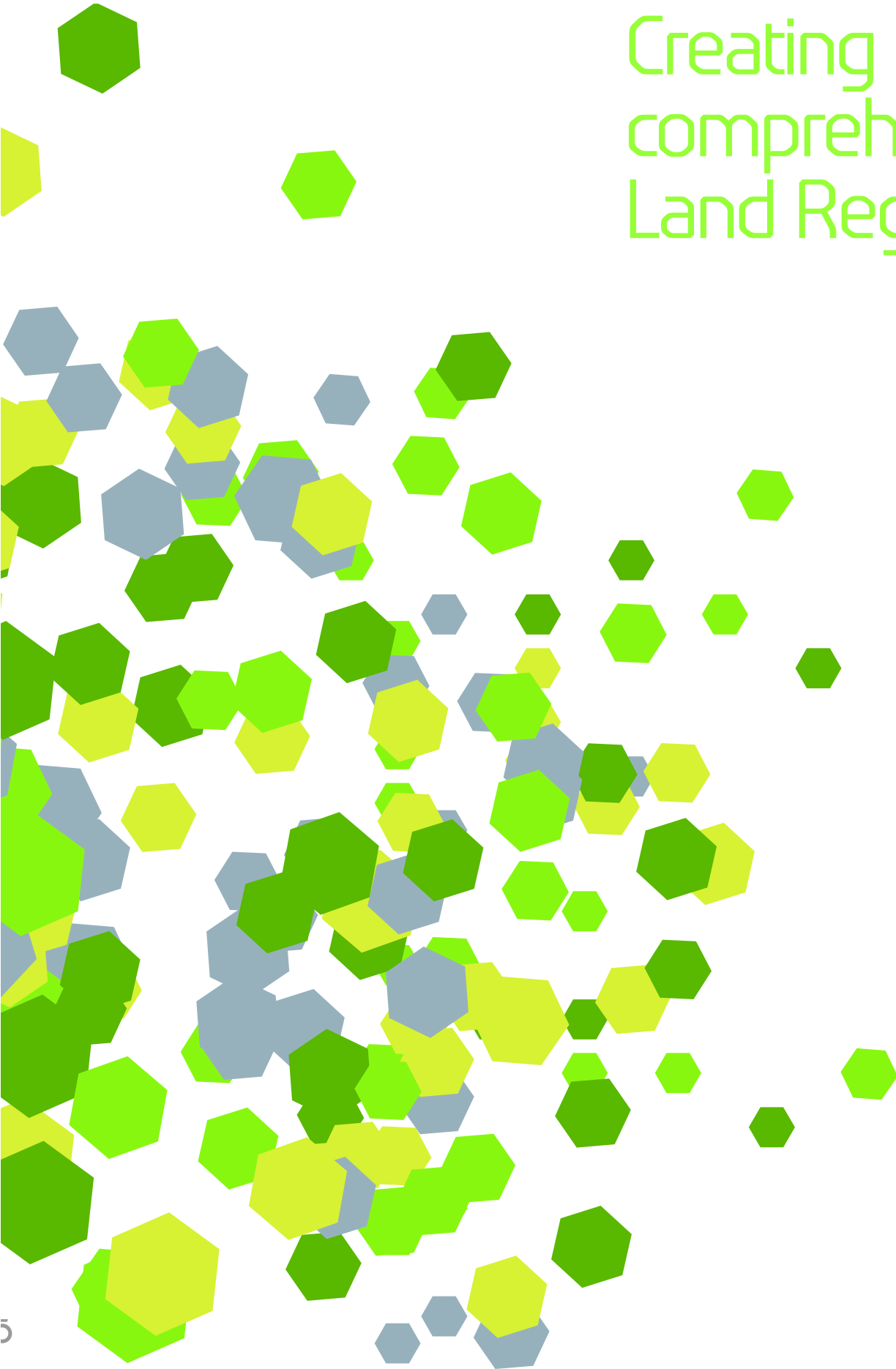


Creating a comprehensive Land Register



Readers of this report

Her Majesty's Land Registry (Land Registry), established in 1862, is a government department in its own right, an executive agency and a trading fund that makes no call on monies voted by Parliament. By statute, it is required to ensure that its income from fees covers all of its expenditure.

Land Registry comprises the Registration of Title Department, dealing with its main business, and the much smaller Land Charges and Agricultural Credits Departments. This report deals with the departments separately but the accounts are given for Land Registry as a whole.

The Secretary of State for Constitutional Affairs and Lord Chancellor is the Minister responsible for Land Registry. This is the Chief Land Registrar's formal account to the Minister of Land Registry's performance against each of the objectives and key performance targets set by the Minister for 2005/6.

Copies of the report are made available to:

- Land Registry staff
- The Stationery Office bookshops for sale to members of the public
- the institutions representing those who regularly use our services
- those organisations with a particular professional or practical interest in conveyancing or other aspects of Land Registry's work

- academics in the field
- the professional and national press
- other government departments and agencies including HM Treasury and the Cabinet Office
- land registries overseas
- the United Nations, European Union and World Bank
- those individuals in institutions with a professional interest in public sector management.

For readers of this report who are not familiar with Land Registry terms, a glossary has been provided at Appendix 10. This report is available for online viewing on our website at www.landregistry.gov.uk

If you would like this Annual Report and Accounts in a different format including audio tape, Braille or large print, please contact Alan Pemberton

by phone:
020 7166 4496

or email:
alan.pemberton@landregistry.gsi.gov.uk

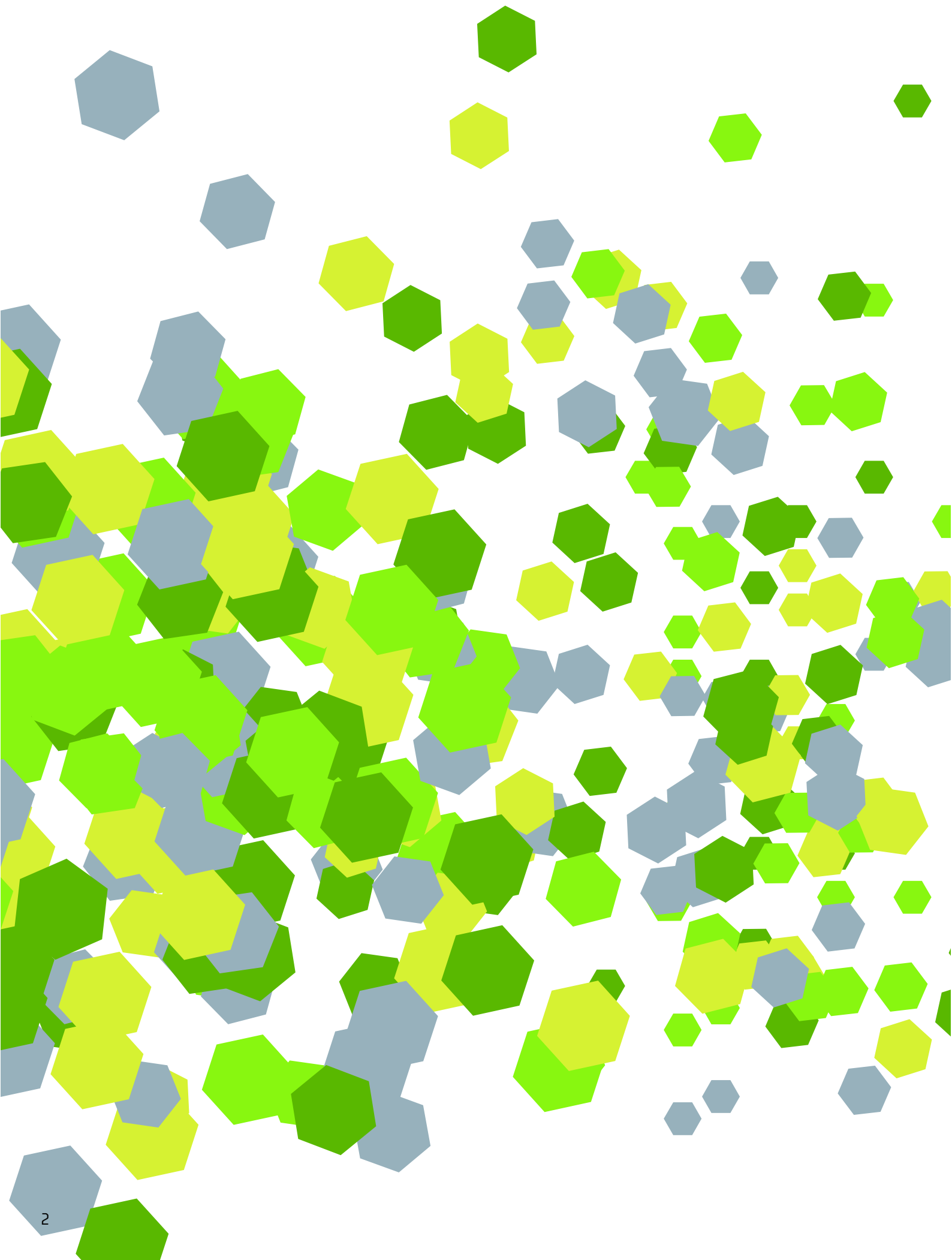
Land Registry Annual Report and Accounts 2005/6

Report to the Secretary of State for Constitutional Affairs and Lord Chancellor by the Chief Land Registrar and Chief Executive on the work of Land Registry for the year 2005/6.

Report, prepared pursuant to Section 101 of the Land Registration Act 2002, and accounts prepared pursuant to Section 4(6) of the Government Trading Funds Act 1973, of HM Land Registry Trading Fund as at 31 March 2006 together with the Report of the Comptroller and Auditor General thereon.

Ordered by the House of Commons to be printed 12 July 2006.





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Foreword by the Chief Land Registrar and Chief Executive

At Land Registry, we approached 2005/6 with some trepidation. Would a falling workload prevent us generating sufficient income to finance our ambitious plans? Would we be able to maintain the highest possible standards of customer service while delivering the next phase of electronic conveyancing and taking forward our comprehensive Land Register?

In the event it was a very testing year but we came through it and came through it well. We took a huge amount of satisfaction from overcoming all the obstacles in another record-breaking year of achievement.

Our workload increased a little and we managed a 3 per cent increase in intakes and outputs. Fee income fell slightly from £397.3 million in 2004/5 to £395.4 million, while expenditure fell from £369.19 million to £364.68 million, keeping us firmly in the black.

Our customer service has traditionally been and remains of the very highest standard. We have embedded a culture of completing the majority of routine property transactions affecting the whole of a registered title on the day of receipt. We hope to introduce this over our whole range of applications without sacrificing a standard of accuracy that exceeds 98 per cent.

The number of customers who say that, overall, they are satisfied or very satisfied with the full range of services we provide has reached a staggering 99 per cent. We also continue to be compared favourably with other organisations. In total, 86 per cent of customers rated us as 'much better' or 'better' than other public sector organisations and 79 per cent rated us as 'much better' or 'better' than private sector organisations.

A major accomplishment for us during the year was to make scanned deeds referred to on the register available electronically to the general public via Land Register Online. This means that anyone can now view the register, title plan and any deed referred to on that register. It also completes our task of achieving the Prime Minister's target to provide all key services electronically by 2005.

Our electronic conveyancing programme continues with a measured, progressive introduction of the key elements of a system that will revolutionise the way we all buy and sell property. We will not be rushed on this. Each component of the system will be introduced separately and piloted to ensure it works properly.

We have successfully negotiated a key step in completing electronic document authentication prototyping – e-signatures – that will make the transmission of documents completely safe. In 2006, we will run a prototype of one of the most exciting elements of our electronic conveyancing service. The chain matrix will enable customers to see online what is happening to their chain and make early, informed

● Peter Collis CB HonRICS Chief Land Registrar and Chief Executive



decisions that currently cannot be made with any certainty. The experience gained from this prototype will enable a full working version to be introduced in 2007.

We have also invested in a data centre that will ensure our IT services remain robust enough to cope with the heavy demands that will be placed on them over the coming years. The data centre was successfully integrated into our IT services during the course of this year.

We are very conscious of the need to maintain the confidence of conveyancers and lenders as well as the general public. Land registration is built on confidence and we are committed to maintaining that confidence by taking this measured approach.

One of the greatest tests we faced last year was to register a further 5 per cent of freehold land in England and Wales – roughly equivalent to the size of North Yorkshire.

We have been registering land since 1862, first on a voluntary basis and from 1899 progressively on both a voluntary and compulsory basis. We have concentrated on the urban areas where property turns over fastest and better value can be obtained from registration. But we are now in a situation where 90 per cent of the population live in registered properties but only 50 per cent of the land mass is registered.

The triggers to compulsory registration are mainly commercial – a sale for value or a first mortgage being two of the most common – but we are now approaching the major landowners to persuade them of the advantages of voluntary registration.

We soon realised that the 5 per cent target was going to be particularly challenging because we didn't have the local infrastructure in place to go out and seek new business. Nevertheless, after falling badly behind in the early months of the year, the network of new business and register development teams we put in place in local offices finally started to make progress. Such was our success that by the year's end we had registered an additional 5.87 per cent of England and Wales for the first time.

We will press ahead with the comprehensive Land Register by committing to registering a further 700,000 hectares in 2006/7, which equates to just under 5 per cent of England and Wales.

Our work on the three fronts of customer service, electronic conveyancing and comprehensive land registration is being brought together in a comprehensive blueprint for the future. We have established a business change programme to coordinate and take forward the work we need to do and to prepare our people for the future. We aim to communicate as honestly and openly as possible and to listen to our colleagues' views, fears and concerns. Our challenge is to manage the change to a smaller, more compact organisation as we enter the next decade.

As ever, I should conclude by thanking all those who have helped to make 2005/6 the outstanding success that it turned out to be: our customers, our business partners, our Ministers, our other

stakeholders and – last, but never least – our magnificent staff who always seem to rise to the challenge. On behalf of my fellow directors, I send our warm and sincere thanks to them all.

A handwritten signature in black ink, appearing to read 'Peter Collis'.

Peter Collis
July 2006

Operating and financial review About Land Registry

Land Registry's mission is to provide the world's best service for guaranteeing ownership of land and facilitating property transactions.

In pursuit of this mission, Land Registry's principal aims are:

- to maintain and develop a stable and effective land registration system throughout England and Wales as the cornerstone for the creation and free movement of interests in land
- on behalf of the Crown, to guarantee title to registered estates and interests in land for the whole of England and Wales
- to provide ready access to up-to-date and guaranteed land information enabling confident dealings in property and security of title
- to provide a Land Charges and Agricultural Credits service.

Land Registry was created as a separate government department in 1862 and became an executive agency on 2 July 1990 and a trading fund on 1 April 1993. The Chief Land Registrar is the Head of the Department, full Accounting Officer and Chief Executive of the executive agency. He is a statutory office holder and is responsible for conducting the whole business of land registration in England and Wales. He reports to the Secretary of State for Constitutional Affairs and Lord Chancellor.

Land Registry operates through 24 offices located throughout England and Wales, a London-based Head Office and offices in Plymouth housing the Land Charges and Agricultural Credits Departments and our Information Services Directorate.

The Land Register, comprising more than 20 million titles, has been open to public inspection since December 1990.

Our mission, vision and strategic objectives



● **Ted Beardsall** CBE Deputy Chief Executive and Director for Business Development

Our mission:

To provide the world's best service for guaranteeing ownership of land and facilitating property transactions.

Our vision:

Making property transactions easier for all.

Our strategic objectives:

Our 10-Year Strategic Plan contains six strategic objectives for Land Registry to complete by 2016. The strategic objectives are affirmed each year and any changes agreed with our Ministers and key stakeholders. Our objectives seek to develop or enhance existing services as well as introduce new services for our customers with the overall aim of making property transactions easier for all.

The six strategic objectives are to:

- continue to make improvements to the delivery of services to all stakeholders
- deliver timely and effective secondary legislation in relation to land registration
- create a comprehensive Land Register for England and Wales
- introduce an electronic conveyancing system through which most property transactions will be effected
- make all land registration data electronically accessible to everyone
- develop a broader range of services for property professionals, the public and others.

Our key performance indicators

Each year the Secretary of State for Constitutional Affairs and Lord Chancellor sets Land Registry a number of key performance indicators (KPIs) to ensure that our customers continue to receive an excellent land registration service. Progress towards these KPIs is monitored by a robust management information system throughout the year and performance information is published in a range of formats on a regular basis.

Our performance against the KPIs and wider business performance measures for 2005/6 is shown in the following table. Our performance against previous years' KPIs can be found in Appendix 1; our strategic objectives for 2006/7 are shown at Appendix 4; KPIs for 2006/7 can be found in Appendix 5. Explanations of the KPIs shown opposite, can be found in Appendix 6.



How we performed against our key performance targets in 2005/6

Key performance targets	Target 2005/6	Achieved
Customer service		
<i>Speed</i>		
Percentage of official copy and official search applications processed within two working days	98	98
Percentage of all registrations processed within 20 working days	80	89.7
<i>Accuracy</i>		
Percentage of registrations processed free of any error	98.5	98.8
<i>Overall satisfaction¹</i>		
Percentage of customers who, overall, are very satisfied/satisfied with the full range of services provided by Land Registry	Better than 95	99
Financial		
Percentage return on average capital employed	3.5	10.0
Efficiency²		
Cost per unit in cash terms ³ (real terms) ⁴	£29.78 (£21.75)	£26.64 (£19.46)
Strategic development areas		
<i>Customer service</i>		
Make scanned deeds referred to on the register available electronically via Land Register Online		Achieved
<i>Land registration</i>		
Register for the first time an additional 5 per cent of the area of freehold land in England and Wales		Achieved
<i>Electronic service delivery</i>		
Provide a further data centre for business continuity purposes		Achieved
<i>Other business development</i>		
Complete electronic document authentication prototyping		Achieved

¹ Result from annual satisfaction survey year to date from quarters 1, 2 and 3.

² This is a milestone towards the HM Treasury-agreed cost per unit target for 2006/7 of £29.69 in cash terms (£21.17 in real terms). Target adjusted for revised pension costs.

³ Based on the GDP deflator issued by HM Treasury on 29 March 2006 (base year 1992/3).

⁴ The real term unit cost in the base year of 1992/3 was £30.65.

Our wider business performance measures in 2005/6

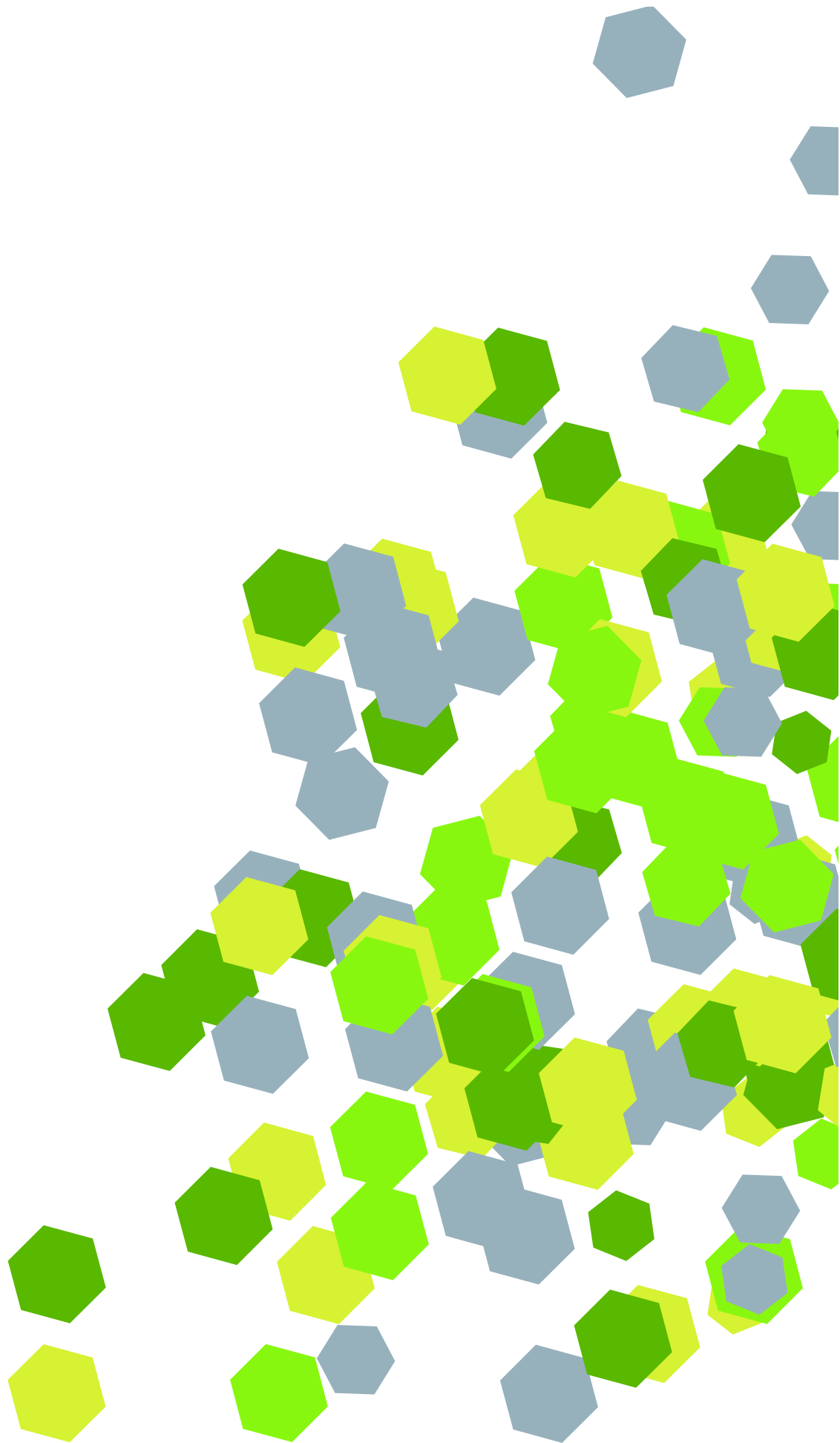
Land Registry's performance in other key areas of business is as follows:

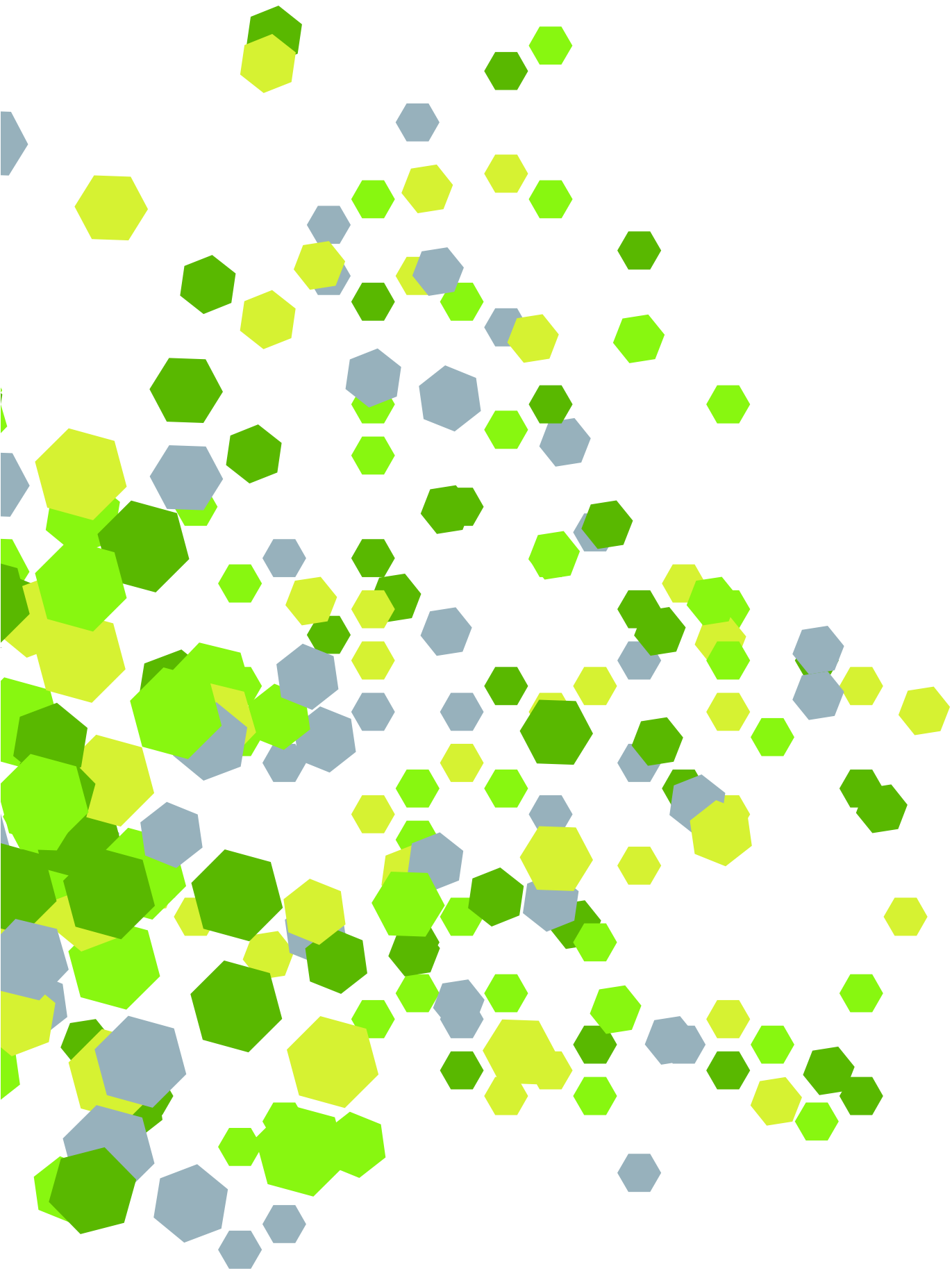
	Achieved 2004/5	Achieved 2005/6
Customer service		
Speed		
Percentage of customers who are very satisfied/satisfied with the speed of service of official copy and official search applications	99.4	99.3 ¹
Percentage of customers who are very satisfied/satisfied with the speed of service of registrations	97.7	98.6 ¹
Average number of days taken to process:		
first registrations	11	11
dispositional first leases	10	16
transfers of part	12	16
dealings of whole	4	5
official copies	2	3
official searches	1	1
Percentage of general correspondence (letters, faxes and emails) responded to within five working days	98	97
Accuracy¹		
Percentage of customers who are very satisfied/satisfied with the accuracy of registrations	97.8	97.9
Overall satisfaction¹		
Percentage of customers who, overall, are very satisfied with the full range of services provided by Land Registry	45.1	47.1
Financial		
Percentage cumulative reduction in fees since becoming a trading fund	53.7	53.7
Strategic		
Number of registered titles (millions)	19.9	20.5
Percentage electronic delivery capability of Land Registry's key services	80	100
Percentage (area) of freehold of England and Wales registered	48.01	54.47
Number of registrations:		
first registrations	297,405	309,609
discharges	2,486,875	2,502,318
mortgages	2,680,128	2,627,999
transfers for value	1,378,200	1,270,867
leases	167,234	173,610

¹ Results from 2005/6 annual satisfaction survey.



Andy Howarth Director of Operations





Review of the year
This is a review of Land Registry's performance against its key performance targets for 2005/6, together with a report on other developments and on the work of the Land Charges and Agricultural Credits Departments.

The review has two sections, which reflect the structure of our 10-Year Strategic Plan.

The first section of the review describes how we have performed in each area of our statutory business against the key performance targets and service standards listed in the appendices of this report. This is driven by our mission to provide the world's best service for guaranteeing ownership of land and facilitating property transactions. This part of the review covers the following key areas:

- customer service and operations
- finance
- corporate governance
- human resources
- facilities and procurement
- legal services, legislation and technical compliance
- geographic information
- information systems
- education and training
- marketing and communication.

The second section of the review reports our progress towards achieving our six long-term strategic objectives (see page 11). This part of the review describes how we are making sure that we achieve our vision of making property transactions easier for all by enhancing existing products and services and developing new services for all of our customers.

Some of this year's highlights include:

- key performance targets achieved
- Prime Minister's 2005 e-services target achieved
- Land Register now more than 20 million titles
- Land Registry's database wins recognition as the world's largest online transaction-processing database
- new rules introduced to make leases simpler
- Land Register Online wins major web award
- offices retain ISO 14001 accreditation
- more than 5 per cent added to freehold registered area of England and Wales.

These highlights will be featured throughout the review.

Our whole business
In this section,
we review our
performance in each
of the key functional
areas that help to
deliver the day-to-
day business of land
registration.

1 Customer service and operations

Customer service and operations is at the heart of our business, providing all our customers with fast, accurate and cost-effective land registration services.

1.1 Intakes and outputs

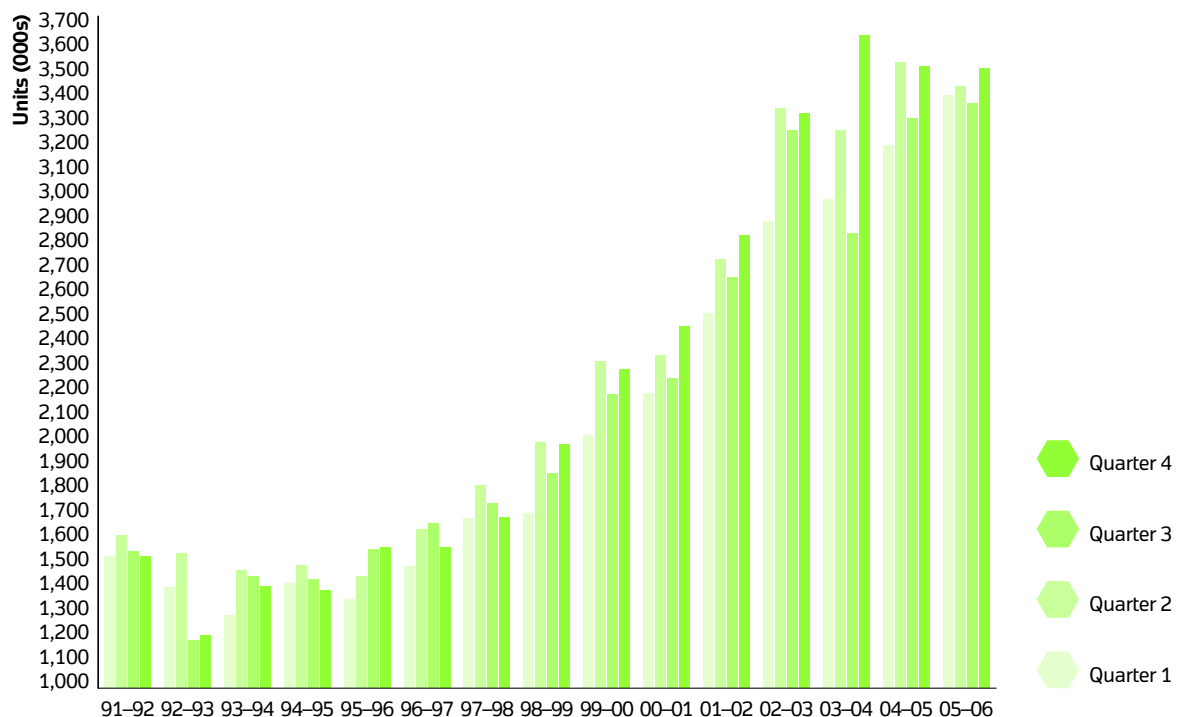
Overall, intake increased by 3 per cent over that received for 2004/5. We received 32,236,147 applications over the year. However, substantive registrations were 4 per cent lower than the corresponding figure last year, although we did receive slightly more (2,733,461) registrations during the second half of the year, compared with the first six months (2,595,975).

Output for the year was 32,225,990 applications, which is 3 per cent more than that achieved for 2004/5.

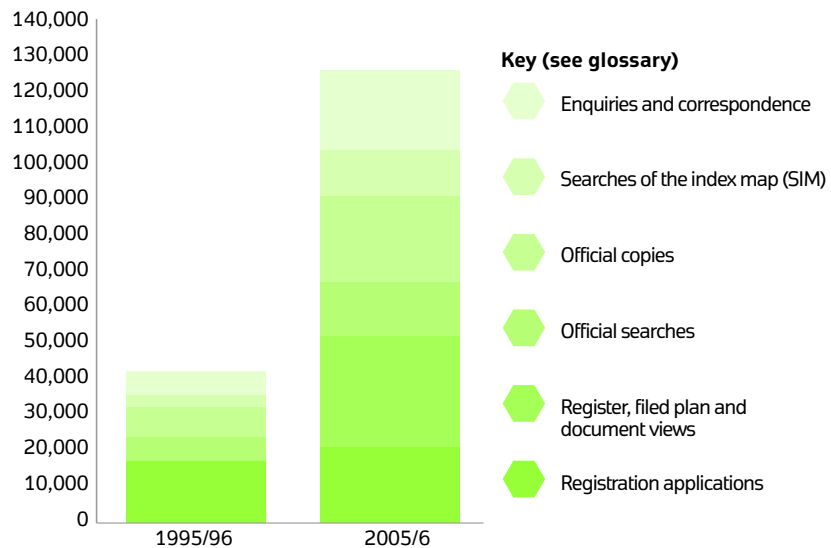
Outstanding casework fell over the final six months to leave 119,562 cases awaiting completion. Of these, 90,104 applications are held awaiting requests for further information or documents.

Full details of our year’s workload are shown at Appendix 2.

Applications received (in units)



Daily intakes in 1995/96 and 2005/6



1.2 Customer service – speed and accuracy

We have met both of our key performance targets relating to speed of service. The percentage of official copy and search applications processed within two working days stood at 98 per cent at the year-end (against a target of 98 per cent) and the percentage of all registrations processed within 18 working days stood at 89.7 per cent (against a target of 80 per cent).

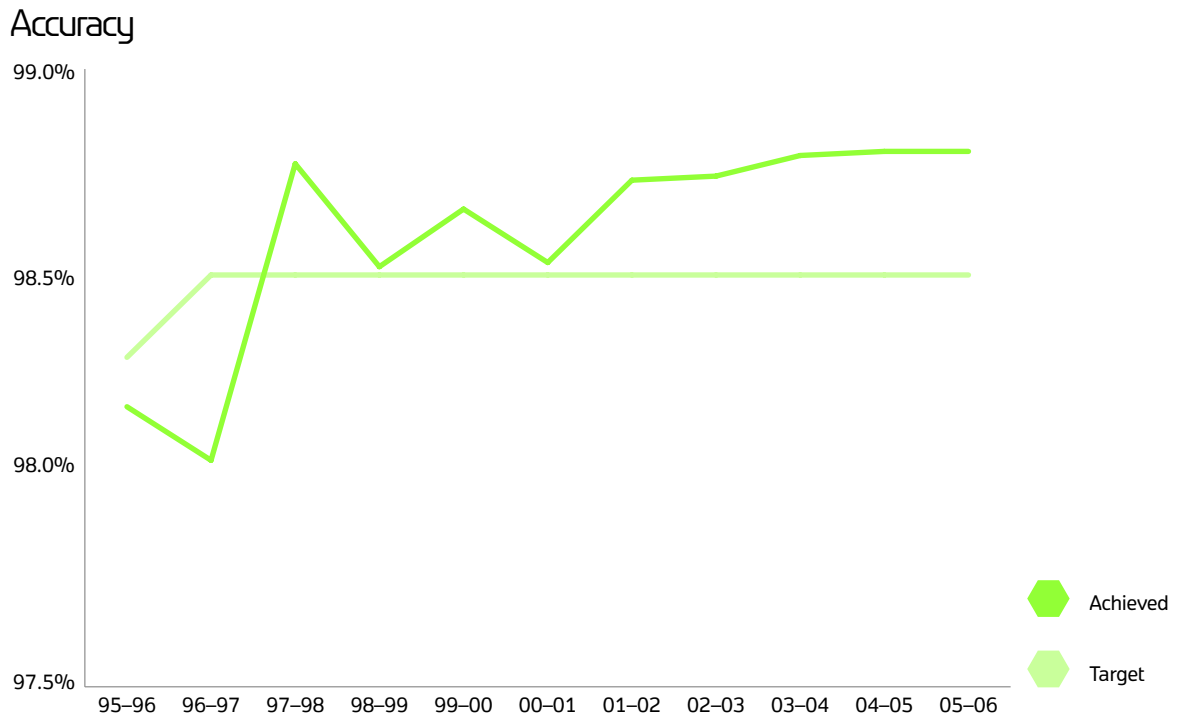
For a number of years, satisfaction levels for the speed of service for dealings of whole (where no amendment is needed to the title plan) have been at very high levels. Despite these high levels, satisfaction has continued to grow with 61 per cent of our customers very satisfied and only 0.3 per cent dissatisfied. Many of our offices have improved satisfaction levels and 19 of our 24 offices had no dissatisfied customers at all.

The speed of our new title casework is an aspect of our service that has historically seen higher levels of dissatisfaction. We are pleased to report that we have continued to make improvements in this area, with the numbers of very satisfied customers increasing from 33.1 per cent in 2004 to 36.3 per cent in 2005. Only 2.2 per cent of our customers remain dissatisfied with this aspect of our work.

The percentage of customers who reported that they were kept well informed of delayed applications was 81 per cent. This demonstrates a slight increase from last year's figure of 78 per cent, although in order to make further improvements, we are now looking at the reasons why 19 per cent of customers felt they were not kept properly informed of delays.

We have also met our key performance target relating to the accuracy of registrations with 98.8 per cent of cases being registered free from error against the target of 98.5 per cent.

Accuracy is very important to our customers and we are constantly striving to reduce the errors we make. In our customer survey, 42.3 per cent of customers were very satisfied with the accuracy of completed registrations, an increase of 1.5 per cent over last year.



Customer satisfaction – speed and accuracy of registrations

	Very satisfied/ satisfied		Dissatisfied		Very dissatisfied	
	2005	(2004)	2005	(2004)	2005	(2004)
Speed of service for dealings of whole	99.6%	(99.3%)	0.3%	(0.6%)	0.0%	(0.1%)
Speed of service for new titles	97.8%	(95.1%)	2.1%	(4.4%)	0.1%	(0.5%)
Accuracy	97.8%	(97.1%)	2.0%	(2.5%)	0.1%	(0.4%)

(Source: Land Registry customer satisfaction surveys 2004 and 2005)

How do our customers rate our speed of service and quality of correspondence?

	Very satisfied/ satisfied		Dissatisfied		Very dissatisfied	
	2005	(2004)	2005	(2004)	2005	(2004)
	98.8%	(98.3%)	1.1%	(1.6%)	0.1%	(0.1%)

(Source: Land Registry customer satisfaction surveys 2004 and 2005)

1.3 Overall customer satisfaction

Our survey told us that 99 per cent of respondents were either ‘very satisfied’ or ‘satisfied’ with the overall service we provided – a figure that is slightly up from last year. The percentage of our customers ‘very satisfied’ with us as a whole was 47 per cent, an increase on last year’s result of 45.3 per cent.

Customers were asked whether they felt that our fees and services represented value for money. Satisfaction remains at last year’s levels with 96 per cent of our customers ‘very satisfied’ or ‘satisfied’.

We continue to be compared favourably with other organisations. In total, 86 per cent of customers rated us as ‘much better’ or ‘better’ than other public sector organisations and 79 per cent rated us as ‘much better’ or ‘better’ than private sector organisations.

How do our customers feel we compare with other organisations?

	Much better/ better		The same		Worse/ much worse	
	2005	(2004)	2005	(2004)	2005	(2004)
Private sector organisations	78.5%	(80.0%)	20.4%	(18.6%)	1.0%	(1.5%)
Other public sector organisations	86.3%	(87.0%)	13.4%	(12.3%)	0.1%	(0.6%)

(Source: Land Registry customer satisfaction surveys 2004 and 2005)

How do our customers rate their overall satisfaction with the service provided by Land Registry local offices and the Land Charges Department?

	Very satisfied/ satisfied		Dissatisfied		Very dissatisfied	
	2005	(2004)	2005	(2004)	2005	(2004)
Local office used most frequently	99.4%	(98.9%)	0.5%	(0.9%)	0.1%	(0.2%)
Land Charges Department	99.4%	(99.1%)	0.6%	(0.8%)	0.0%	(0.1%)

(Source: Land Registry customer satisfaction surveys 2004 and 2005)

1.4 Charter Mark

We are pleased to report that independent assessors gave us a clean bill of health in their interim assessment for the Charter Mark award. We were granted our fifth award in 2004 and assessors visited Head Office towards the end of 2005 to check that we were maintaining our excellent levels of public service. A portfolio of evidence of continuous improvement was produced to demonstrate that our service continues to meet the Charter Mark standard.

1.5 Service First

Land Registry's statement of service standards, set out in Appendix 3, embraces the nine principles of public service delivery and the six service standards for central government contained in the policy statement *Service First – the new Charter programme*.

1.6 Standards of service

Our target standards of service, and our achievements against them, are published each year in our annual report and accounts as well as being displayed in our customer information centres (CICs) across England and Wales. Practitioners' advisory committees are also regularly informed. Speed of service targets are issued quarterly to the legal press and institutions. Information relating to our performance against these targets is published on our website www.landregistry.gov.uk and in our customer magazine, *Landnet*. Our 10-Year Strategic Plan and our annual business plans contain full details of our key performance targets and are published on our website. These online business plans are updated regularly with details of our current performance against these targets.

1.7 Open and full information

A comprehensive range of practical information about our services and procedures is available from all of our CICs. All publications and land registration forms are available to download free of charge from our website (www.landregistry.gov.uk) as are all of the official forms needed to lodge land registration applications. The website also includes a page devoted to answering frequently asked questions.

1.8 Consultation and involvement

We regularly consult our customers and invite, and welcome, feedback about the service we provide. We do this through our website, annual customer satisfaction survey, mini satisfaction surveys, user panels, customer discussion groups and CIC questionnaires. Our complaints leaflet includes a tear-off slip for comments and suggestions as well as complaints.

All formal written consultation exercises conducted by Land Registry adhere to the criteria set out in the Cabinet Office's *Code of Practice on Consultation*.

1.9 Accessibility and the promotion of choice

Our main customers tend to be from the legal profession or financial institutions although we do receive applications and enquiries from a range of other bodies and directly from the general public. We recognise that our customers include everyone affected by our work.

Customers can contact us in person, by telephone, fax, email and post. Professional customers with credit accounts can access our services electronically through Land Registry Direct and through Telephone Services, both of which provide a quick, convenient and simple method of applying for a number of our services. Telephone Services for Wales specialises in Welsh place names and offers a Welsh-speaking voice. The general public can now access our information electronically by using Land Register Online. This service allows anyone with access to the internet to view and print copies of register entries and pay by credit card. In 2004/5, we extended this service to provide access to any deed referred to on the register as well as to the register and title plan.

All CICs are audited for accessibility and have access for wheelchair users. Staff in these centres are trained in providing quality customer service for disabled customers and those with special needs. We maintain a list of members of staff who can provide British Sign Language for customers. We provide a textphone facility on a freephone number and welcome calls made through Typetalk. Both of these services are for deaf or hard-of-hearing customers.

We are able to provide documents and guidance in a range of formats including, on request, Braille, large print and audio cassette. This is made possible by a service level agreement with HM Revenue and Customs. Customer service managers at each of our offices have been provided with an information pack containing practical guidance on the needs of disabled customers.

We use our customer feedback questionnaire, 'We value your comments', to assess demand for information in languages other than English and Welsh. We also maintain a database of staff able

to speak other languages to help customers with particular language needs. We can supply information leaflets on our complaints procedure and about the information we hold and how to obtain it in Chinese, Gujarati, Hindi, Punjabi and Urdu and other languages on request.

1.10 Welsh language service

Every register template produced at our Wales Office is printed in bilingual format. All headings and standard information on registers of titles in Wales now appear in Welsh and English. Individual entries now appear in the language (English or Welsh) of the source document on which they are based.

We offer a Welsh language service on the telephone, in written correspondence and in the customer information and Telephone Services centres. Welsh-speaking staff are available to provide that service and, when necessary, external translators are used. We aim to deliver an equally high-quality service in Welsh and English.

Land Registry welcomes correspondence in Welsh and English and initiates correspondence in Welsh to those who are known to prefer corresponding in Welsh. We reply in Welsh to letters received in Welsh and meet the same speed of service targets for correspondence. Correspondence by fax and electronic means are treated in the same way. Our website has a Welsh-language version (www.cofrestrfatir.gov.uk).

For further information on the Welsh language services that we provide, please contact:

The Welsh Language Coordinator
Land Registry
Wales Office
Tŷ Cwm Tawe
Phoenix Way
Llansamlet
Swansea SA7 9FQ

1.11 Putting things right

We appreciate that mistakes can be annoying, but sometimes things do go wrong and we may not get it right first time. We welcome complaints and provide a variety of methods to make it as easy as possible for people to do so. Our website enables customers to complain to us online and it also contains full contact details which makes it easy for people to complain in person, over the phone or in writing (including fax and email). There is also a freephone number for customers who wish to telephone the Agency Customer Service Manager (0800 015 8002).

We see complaints as an important aspect of customer feedback because they identify gaps or deficiencies in service delivery and lead to improvements. Customers are informed of improvements made in response to complaints either directly or through our customer magazine, *Landnet*. Information about improvements is also published in the short report to our annual customer satisfaction survey and in regular features in the *Law Society Gazette*.

In 2005/6, we received 2,483 complaints (4 per cent fewer than those received in 2004/5) of which 91 per cent were responded to within our five-day target (compared with 92 per cent in 2004/5).

1.12 Independent Complaints Reviewer

The Independent Complaints Reviewer (ICR), Ms Jodi Berg, conducts impartial investigations of complaints from customers who are dissatisfied with the service they have received from us and who have not been satisfied by our internal complaints procedure.

The number of referrals leading to formal investigations by the ICR is at a low level and, of those few complaints rising to investigation level, only a handful have been upheld. The constructive criticism that they contain is considered and actioned by ICREST, which is the Land Registry Evaluation and Study Team, specifically set up to consider recommendations made by the ICR. It met four times during the year.

Further details are set out in the ICR's annual report, which can be obtained from the ICR's office at New Premier House, 150 Southampton Row, London WC1B 5AL (telephone 020 7278 6251).

Two formal responses were made during the year. The first was Land Registry's short formal response to the ICR's annual report, endorsing that report. The second was a response to the Department for Constitutional Affairs White Paper *Transforming Public Services: Complaints, Redress and Tribunals*. This response, strongly endorsing the ICR's service, contained a full description and history of how the ICR's service is used within Land Registry, and was discussed in detail with the ICR prior to completion.

How do our customers feel we respond to complaints?

Aspect of service	Very satisfied/ satisfied		Dissatisfied		Very dissatisfied	
	2005	(2004)	2005	(2004)	2005	(2004)
Speed of response	96.2%	(94.8%)	3.1%	(4.4%)	0.6%	(0.8%)
Courtesy and helpfulness	98.2%	(98.1%)	1.5%	(1.6%)	0.3%	(0.4%)
Keeping you informed	95.3%	(93.6%)	4%	(5.5%)	0.7%	(0.9%)
Quality of investigation	95.4%	(94%)	3.4%	(4.9%)	1.2%	(1.1%)
Outcome	94.6%	(94.2%)	3.5%	(4.2%)	1.8%	(1.6%)
Overall service	96.4%	(95.4%)	2.7%	(3.6%)	0.9%	(1%)

(Source: Land Registry customer satisfaction surveys 2004 and 2005)

Indemnity claims for 2005/6

Nature of claim	Number of claims	Substantive loss	Costs	Percentage of total
Extent of registered titles	487	£1,696,162.58	£1,272,091.06	21.03
Errors in/omissions from register entries	181	£533,582.82	£328,818.11	6.11
Sundry plans errors	52	£15,617.81	£117,589.04	0.94
Fraud and forgery	31	£8,632,656.95	£1,201,960.78	69.67
Official inspections of title plans	18	£26,065.14	£28,276.03	0.38
Bankruptcy errors	3	£34,379.30	£0	0.24
Official searches	9	£16,503.55	£4,580.50	0.15
Official copies	5	£700.00	£1,359.70	0.01
Errors in SIMs	36	£73,441.06	£24,368.48	0.69
Errors in filed extracts	3	£195.00	£160	0.003
Lost documents/administrative errors	169	£43,796.61	£63,650.53	0.76
Land Charges errors	3	£46.00	£41.12	0.0006
Total	997	£11,073,146.82	£3,042,895.35	
Gross payment			£14,116,042.17	
Less sums recovered under Land Registry's statutory right of recourse			£178,809.97	
Net indemnity			£13,937,232.20	

1.13 Indemnity

This year, £14,116,042 was paid for 997 claims compared with £3,516,061 for 914 claims last year.

The largest payment was in excess of £8 million (including legal costs). This was paid in respect of losses arising from the registration of a fraudulent transfer of a large, valuable property. The property was registered in the name of an overseas company and a transfer from that company was forged and subsequently registered. The resulting dispute and claim was the subject of litigation which was settled following mediation. The overseas company was restored as proprietor of the land. A police investigation into the crime is continuing and Land Registry is pursuing the recovery of the money it has paid. We have reviewed our procedures on forgeries as a result of this case.

We have recovered £178,809 under our statutory right of recourse, compared with £28,360 last year.

2 Corporate governance

Corporate governance is a critical part of our business. We ensure that Land Registry has an effective system of internal controls, practices and procedures so that it can achieve its objectives and provide direction and control by ensuring integration of business management, culture, strategies and policies.

2.1 Corporate governance strategy

In 2004/5, we produced a long-term corporate governance strategy to place this important area of business at the heart of our strategic planning process. Land Registry believes that meaningful public reporting and true accountability breaks down barriers between organisations and people. This philosophy underpins the strategy, which sets out what we are doing, and what we are going to do in the future, throughout the whole organisation.

2.2 Land Registry Board review

During the period, we carried out a major review of our corporate governance structure to bring it up to date and into line with Treasury best practice. As of the start of 2006/7, we will have two main boards, the Land Registry Board, including Non-Executive Directors and the Executive Board which has the same membership but excludes the



David Rigney Non-Executive Director

Non-Executive Directors. The Land Registry Board is responsible for the strategic direction, good governance and overall performance of Land Registry. The Executive Board delivers the annual business plan and is responsible for day-to-day management of Land Registry. The Pay and Audit Committees are chaired by Non-Executive Directors. An organisation chart showing the new structure together with its committees and their purpose is shown at Appendix 11.

2.3 Non-Executive Directors

Our Directing Board appointed two new Non-Executive Directors to replace our outgoing two. The new Directors, Mike Cutt and David Rigney, are considered by the Board to be independent.

2.4 Work of the Audit Committee

The Committee's activities in 2005/6 included:

- approving new 'whistle blowing' and fraud policies
- recommending improvements in internal procedures, such as disposal of fixed assets and control of sports and social and local office charity committee funds
- reviewing the membership, induction and training of Audit Committee members
- overseeing the development of risk management in Land Registry, via the Business Risk Board, including the procurement of new risk management software
- receiving regular progress reports from the Chair of the Business Risk Board highlighting any emerging risks and reporting on the strategic risk register activity
- regular reports from other areas of the business, such as single tender contracts and health and safety, to gain an assurance that proper processes were being adhered to
- agreeing and monitoring Internal Audit's planned work and discussing outcomes of identified weaknesses
- approving annual accounts and Statement of Internal Control for annual report.

During the period under review, one of our Non-Executive Directors, David Rigney, was appointed as Chair of the Committee. We also appointed a new Non-Executive Member with a financial background, Vaughan Williams, solely to work on the Audit Committee. Vaughan is not a director, he is a member and he does not have any other Board responsibilities. Jan Smith, previous Non-Executive Director Chair, retired.

2.5 Social, community and environmental policies

We take our social and environmental responsibilities very seriously and are proud of our track record in making improvements to the ways in which our day-to-day business affects the environment and people.

In 2004, our Directing Board published the following policy statement on corporate social responsibility (CSR): 'Land Registry is committed to doing all it can, as a government department, executive agency, and trading fund, to encourage a culture of diversity and staff development, to protect the environment, and to support positive interaction with the community.'

Since the policy was published, we have produced a long-term CSR strategy to ensure that we continue to act as a responsible business and to improve the ways in which we interact with the community. A number of local offices have recently been involved with a range of successful

Business in the Community volunteering challenges and Wales Office has been helping school pupils with their studies and careers planning.

The CSR strategy incorporates a sustainable development action plan because we consider our environmental responsibilities alongside our wider social responsibilities and include them as an integral part of our CSR policy and strategy. A notable success has been our retaining their ISO 14001 accreditation (see 6.1). A number of local offices have also won sustainability awards over recent years for their energy and environmental management systems and innovations in recycling.

We intend to launch an employee-volunteering scheme and review our procurement procedures to ensure that they are sustainable.

We recognise that our ongoing activities at Land Registry have an impact on the environment. We are committed to:

- compliance with all relevant environmental legislation and key government objectives that affect the activities of the organisation
- the prevention of pollution from our activities
- continuous review and improvement of our environmental performance
- integration of environmental policy into future business decisions and working practice changes.

In particular, we will achieve these through:

- taking the environment into consideration in the ways in which we operate and the goods and services we procure, giving due consideration to environmental legislation
- reducing consumption of gas, electricity and water and other resources with an emphasis on achieving central government targets relating to sustainability
- implementing a strategic travel plan to achieve a reduction in single car occupancy, business miles travelled by road and CO₂ emissions.



● Mike Cutt Non-Executive Director

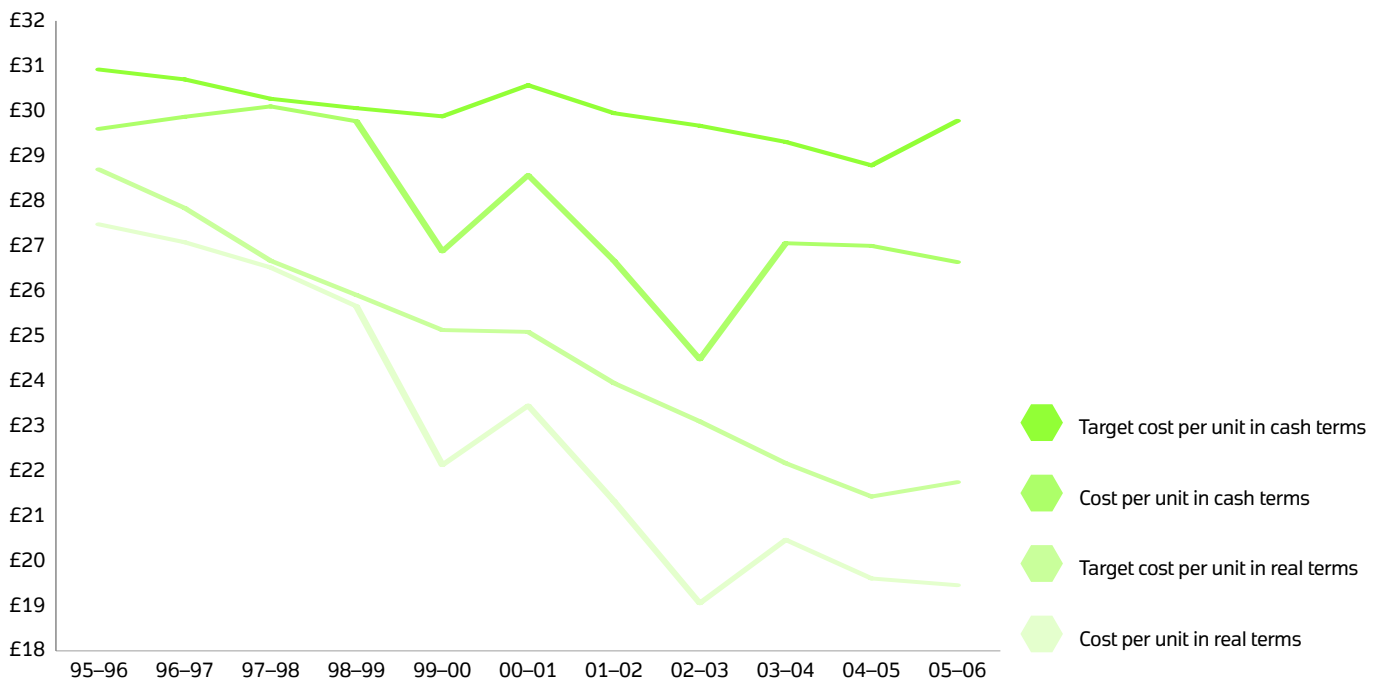
3 Finance

This part of our day-to-day business ensures that we meet all our financial and efficiency targets, while funding the investment programme to enable delivery of the objectives contained in the 10-Year Strategic Plan. It also ensures the efficient use of public funds.

3.1 Efficiency

We met our real terms cost per unit milestone, the year-end figure being £19.46 against a target of £21.75. The corresponding cash terms figure for the year is £26.64 against a target of £29.78.

Cost per unit

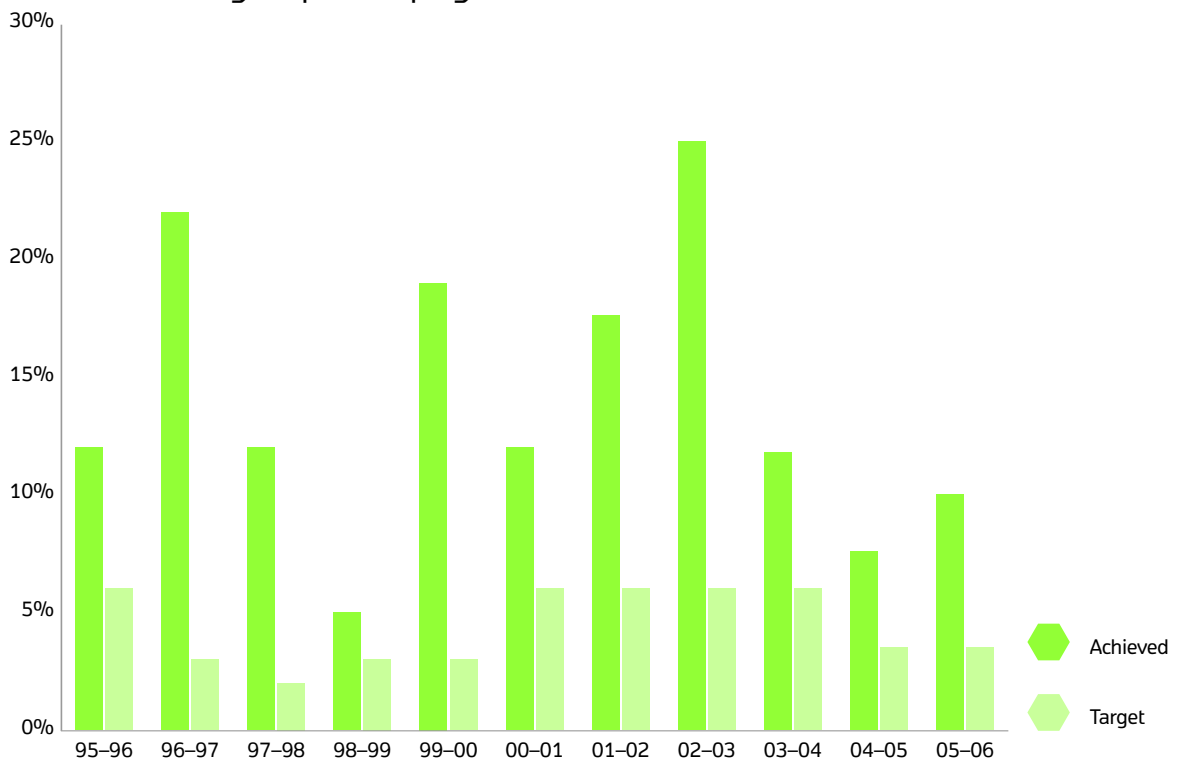


3.2 Financial position and dividends

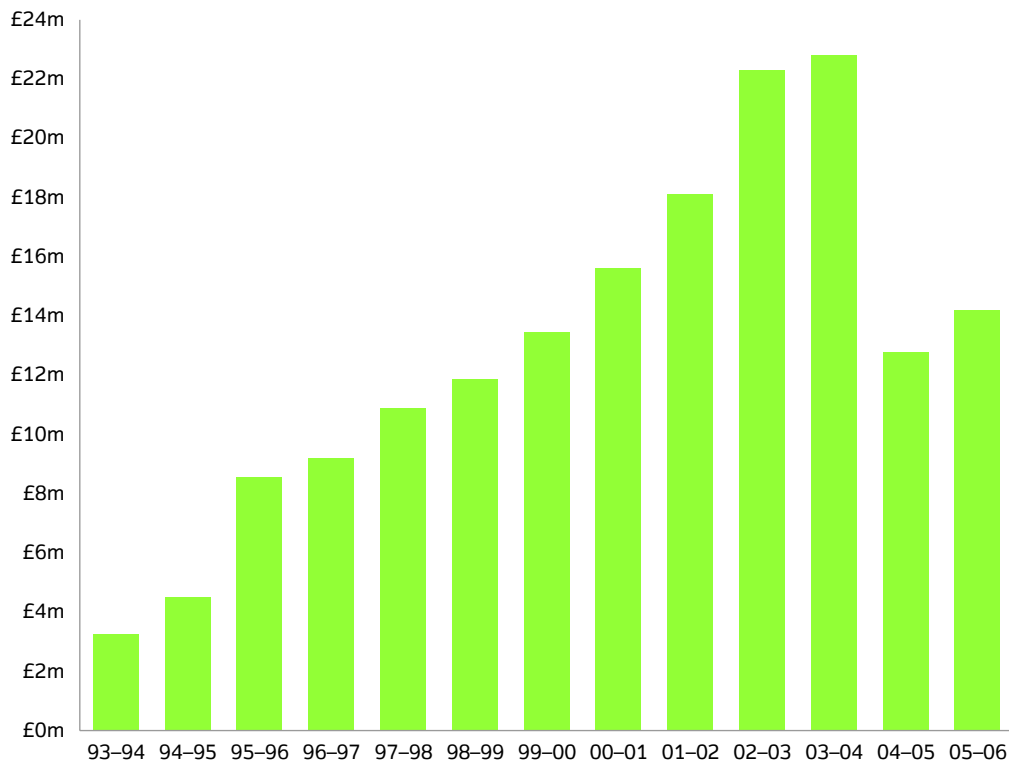
Fee income for the financial year was £395.4 million against a 2004/5 figure of £397.3 million, of which £9.2 million related to the Land Charges and Agricultural Credits Departments (£8.8 million in 2004/5). Total expenditure was £369.19 million against £364.68 million for 2004/5.

We met our target for the return on average capital employed of 3.5 per cent, with an outturn of 10 per cent. A dividend of £14.23 million for the financial year 2005/6 is payable to the Consolidated Fund (£12.79 million in 2004/5). The chart opposite shows all of our dividends paid to the Consolidated Fund since we became a trading fund in 1993.

Return on average capital employed



Dividend to the Consolidated Fund



3.3 Supplier relations

We comply with the Late Payment of Commercial Debts (Interest) Act 1998, and the Better Payment Practice Code.

During the year, we paid 97.4 per cent of invoices received from supplies for goods and services within 30 days or the agreed contractual terms if otherwise specified. This percentage does not include disputed invoices.

We have also established a contracts management discipline to ensure that best value is extracted from long-term contractual arrangements while maintaining good relationships with all suppliers.

3.4 E-conveyancing fees

Work is continuing to develop the e-conveyancing fee structure in readiness for the pilot of tranche 2 services in October 2007. The e-conveyancing business case is being revised to incorporate updated costs and take-up assumptions, and once this work is completed, we will populate the framework of indicative prices for e-conveyancing services for approval by the Land Registry Board before submitting to Ministers.

4 Human resources

Our Human Resources Group ensures that Land Registry employs the best people with the right skills to achieve all of its future targets and contribute to providing a world-class service.

4.1 Staff numbers

The number of people employed by Land Registry stood at 8,426 compared with 8,665 at 31 March 2005.

4.2 Recruitment

A statement on our recruitment activity for the year is set out in Appendix 7.

Linda Daniels Director of HR



4.3 Diversity and equal opportunity

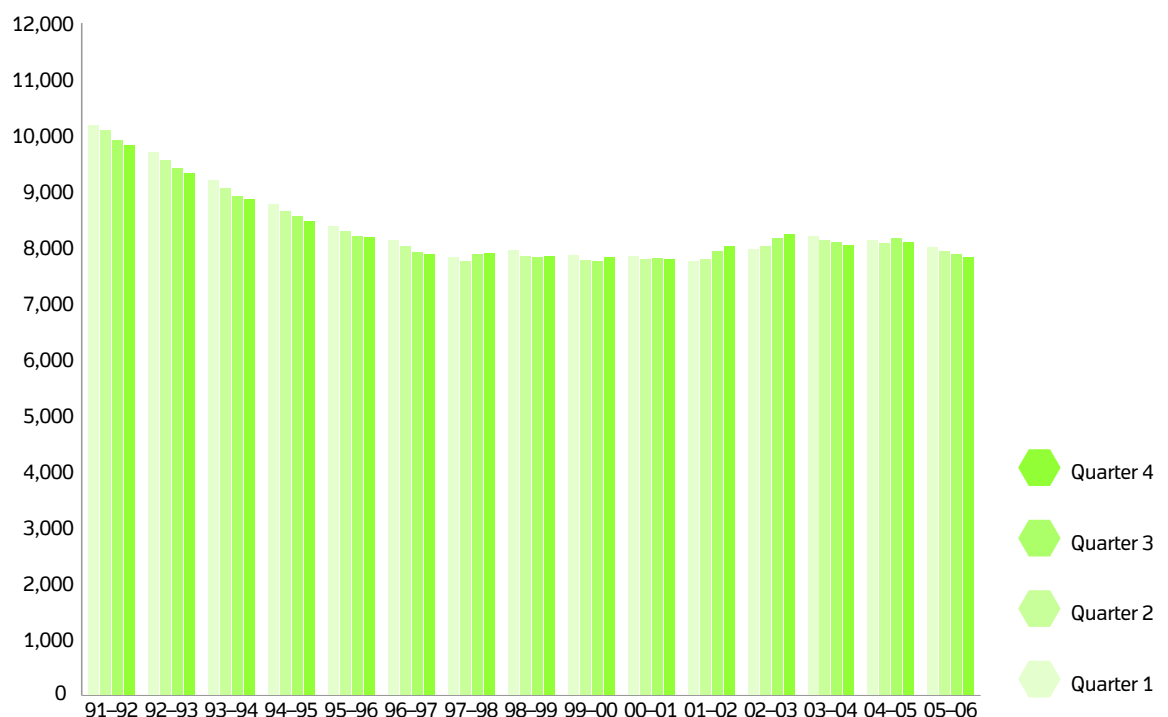
We won the Personnel Today Age Positive at Work Award in November 2005 in recognition of our work on age monitoring, age-neutral recruitment and challenging ageist culture. A new leaflet is soon to be available for all staff on the dangers of age stereotyping in preparation for age discrimination legislation due in October this year.

During the year, we were a founder member of the Employers Forum on Belief, a group of employers who share good practice in relation to employment of people with a range of faiths.

We reviewed and issued a revised Race Equality Scheme in 2005 and are now working with our staff disability focus group to produce a Disability Equality Scheme. We are planning to develop an overall Diversity Equality Scheme to cover all strands of the diversity agenda including those not currently covered by statutory duties. We have produced new guidance for staff on general disability awareness, HIV and the workplace and arranging accessible meetings. We also hosted a masterclass for the Employers Forum on Disability on commercial landlords and tenants and the Disability Discrimination Act.

Our Diversity Steering Group has approved and will continue to monitor our response to the Civil Service 10-Point Plan on Diversity.

Staff numbers since 1991 (full time equivalent)



4.4 Provision of childcare

Our provision of high-quality childcare has grown with the opening of a nursery at our Leicester Office, bringing the number of our on-site nurseries to nine serving 11 offices. A further 11 offices have childcare provision through contracts with local nurseries.

More than 1,000 children have access to subsidised childcare. This commitment helps us to recruit and retain high-quality staff.

4.5 Qualification in Land Registration Law and Practice (formerly LRQ)

The Land Registry qualification gave effect to one of the main action points contained in our response to the then Government's White Paper on development and training for civil servants and the Government's Civil Service Reform Agenda. The course began in September 2000 and is now run in partnership with the College of Law.

The qualification has two levels: the Certificate, which is a one-year foundation course approximate to A-level standard, and the Diploma, which is a two-year course providing a comprehensive and detailed consideration of property law including the law and practice of land registration. The Diploma course is approximate to degree standard and is assessed by the submission of four written assignments and an exam at the end of each academic year.

The scheme was introduced to external students as part of the Government's Wider Market Initiative. These students work in a variety of places including Nationwide Building Society, solicitors' offices and local authorities.

The 2005 intake has 286 internal students enrolled at Certificate level and 10 external students. The Diploma has a total of 196 internal students enrolled over the two-year course and 12 external students.

4.6 Technical Royal Institution of Chartered Surveyors qualification (TechRICS)

The purpose of the TechRICS qualification is to develop a core of highly regarded and qualified professional staff capable of dealing with some of the very complex project work needed to deliver total registration.

Twenty students have completed their first year of the qualification and are due to complete the course in October 2006. They have been joined by a further 15 new students, who started in May 2005. The latest students are using the new eNVQ system, which cuts down considerably on the paperwork, lessens the risk of a portfolio going astray and should make it easier for the students to study. Many of the original students have now moved to the eNVQ system.

The current students are receiving survey training to enhance their skills in the use of Geodesy, GPS, Total Stations and Transverse Modified Mercator as well as classic surveying techniques. Development events are held in local offices to cover key issues such as professional ethics, dispute resolution, conflict avoidance, cadastre and land management.

Total spending on training represented 21.2 per cent of the salary bill, up from 16.9 per cent in 2004/5, reflecting the high levels of support for training in the year.

Aspect	Trainee days
Induction	56
Vocational (land registration)	39,692
Management and development	13,554
External	4,070
Total	57,372



Linda Chamberlain Director of Education and Training

5 Information Systems

We aim to maximise the benefits of Information Systems in the delivery of public services to meet the objectives in our 10-Year Strategic Plan.

5.1 IT upgrade

Our new data centre was a key performance target, underlining its strategic importance. It will deliver enhanced system resilience in the event of a disaster to ensure that the ICT infrastructure is able to support the re-engineered conveyancing system. The building and systems are now all in place and extensive testing was completed in February 2006.

In response to a rise in business activity and consequential need for increased IT capacity and performance, we migrated during March from our IBM z990 processors to new IBM z9 series mainframes.

5.2 New Information Systems building

HRH The Princess Royal officially opened our new Information Systems building, Seaton Court, on 3 May 2005. The new building provides us with a modern and secure facility from which all of our information systems will be developed.

Seaton Court has an 'excellent' rating under the Building Research Establishment's Environmental Assessment Method (BREEM) for the building's design. BREEM is acknowledged as the good practice benchmark for environmental design and management, and the building scored 10 out of 10 on its Environmental Performance Index.

5.3 Winter Corporation's Top Ten Program award

For the second time, Land Registry is a grand prize award winner in the Winter Corporation's worldwide Top Ten Program award, which recognises that we have one of the world's largest and most heavily used online transactional databases.

5.4 *Computer Weekly's* Best Places to Work in IT award

Land Registry has won *Computer Weekly's* national Best Places to Work in IT award in the central and local government category. Director of Information Systems, John Wright, collected the award at a ceremony held in London in March.

The award recognises the efforts that we have made to support mentoring and development opportunities as well as to foster an environment that supports a work-life balance valued by staff. In a year that was notable for the exceptionally high quality of the entries received, the judges commented that Land Registry's entry showed a good overall situation for its staff. They considered that its 'concept working groups' were an interesting way of getting staff involved in other programmes and activities across the organisation.



John Wright Director of Information Systems

6 Facilities

This part of our day-to-day business ensures that our people have the accommodation, equipment and facilities needed to deliver a world-class land registration service.

6.1 Environmental performance

We are pleased to report that all Land Registry offices have retained their ISO 14001 accreditation. This accreditation includes all of our local offices together with our London Head Office and our new Information Systems building in Plymouth. Its scope has recently been extended to include nurseries, regional files stores and ancillary buildings.



Allen Elston Director of Facilities

6.2 Electronic Records Management System (ERMS)

ERMS is the new way in which we will manage our administrative records, from email to customer correspondence and strategy to policy documents.

We have tactically deployed the ERMS infrastructure (and therefore now have an ERMS capability). The software itself has been undergoing many upgrades during its evolution into a mature and stable facility. Couple that with the fast-moving IT technical infrastructure and it has proved very difficult to deploy the ERMS into a meaningful pilot. However, since December 2005 there has been an ERMS pilot in operation at one business unit. During March, we extended that to our Agency Estates Group at Head Office and we are currently implementing a facility to store casework correspondence in ERMS.

6.3 Health and safety

We continue to place great importance on good health and safety practice as a cornerstone for good business performance. Following a report by the Health and Safety Executive on one of our local offices, we are working with the Executive to seek ways of improving the way in which we approach display screen working. As a part of this process, a project for the electronic delivery of display screen equipment assessments has investigated and purchased the required software in preparation for delivery next year. Display screen equipment assessors will be trained to a certified standard during 2006/7.

All local offices achieved at least a 'substantial' rating for compliance in their health and safety audits.

A stress strategy has been completed as planned and will be put into action in 2006/7. We have adopted the Health and Safety Executive stress standards as a part of this strategy.

7 Geographic information

This part of our business aims to provide world-class, resilient mapping systems which support our operational needs, are fit for purpose and make best use of developments in information systems.

7.1 Mapping

Land Registry has been working with Ordnance Survey (OS) to evaluate MasterMap. OS MasterMap is an intelligent digital map designed by Ordnance Survey for use with geographical information systems (GIS) and databases. Based on the National Grid, it includes topographic information on every landscape feature – buildings, roads, phone boxes, postboxes, landmarks – and represents a significant evolution from traditional cartography.

We continue to make progress on implementing the Geographic Information Strategy, to ensure that we capitalise on the benefits inherent in the migration to OS MasterMap and spatially enabled databases. This new data and systems infrastructure will allow us to increase the efficiency and quality of our core operational processes, while also providing an appropriate environment to support many of our core corporate objectives, such as the comprehensive Land Register, e-conveyancing and commercial services.

7.2 Positional accuracy improvement

Ordnance Survey has delivered an updated version of its rural mapping, with improved positional accuracy, on a national basis. This has moved all of the rural features in the database in a pseudo-random way, which has had a significant impact on our data with the representation of topographic features that symbolise property boundaries moving in an unpredictable way. We are now well into a defined programme of work, being undertaken by teams in each office, to shift our data in sympathy with Ordnance Survey's changes. This programme will take until the first quarter of 2008 to complete.

7.3 Survey requisition

We often ask Ordnance Survey to carry out a bespoke survey to provide information specific to a particular property, causing a delay to the registration process. We have defined, jointly with Ordnance Survey, a new proactive process that will anticipate the need for information and considerably reduce turn-around times. This is being rolled out across all of our offices and will become fully operational during the next few months.

7.4 Data management

The quality of our geographic data – title plans, index map and addresses – is of fundamental importance to our services. We have recognised the need for a comprehensive data management

environment, which will allow us to manage this key asset in a much more proactive fashion. Key among developments in this area is the implementation of a Quality Improvement Flowline (QIF), which will facilitate the cleansing of an area, to approved standards. The QIF is currently in the early stages of programme design.



● Andrew Trigg Director of Geographic Information

8 Legal services, legislation and technical compliance

This part of our business aims to ensure that Land Registry has the legal services it needs and that world-class legislation is in force, practically administered and fully observed.

8.1 Freedom of information

During 2005, 178 written requests for information were made under the provisions of the Freedom of Information Act 2000. The success rate for answering these requests in full was 85 per cent. This high rate of response does not imply that the information requested was easy to identify and provide. Often, it took time to identify what information the applicant wanted, get the applicant to narrow down the request if too vague, find the information, establish whether it could be released, produce it in an acceptable form and supply it.

To raise and maintain awareness of the Act, we have been training staff through a series of presentations and workshops. Staff have been issued bulletins covering identification of a request under the Act, recording of requests, cost limits and the use of exemptions.

Our publication scheme has been continuously revised to ensure that members of the public are kept up to date on what information is routinely available to them, how they can get it and, if appropriate, what it costs.

8.2 Rule Committee

The Land Registration Rule Committee was reconstituted under the Land Registration Act 2002 to provide advice and assistance to the Lord Chancellor in making new or revised rules under the Act. A High Court judge chairs it and its members comprise the Chief Land Registrar, representatives of the legal profession and surveyors together with a person appointed for their experience in consumer affairs. Neither the Chair nor the members are paid for their work on the Committee. The Committee meets as necessary to consider new or amendment rules.

During the year, the Rule Committee met twice to consider what are now the Land Registration (Amendment) (No 2) Rules 2005. These make provision for the introduction of prescribed clauses leases and made amendments to reflect the coming into force of the Civil Partnership Act 2004.

Further information can be found on Land Registry's website.

● **Jeremy Donaldson** Head of Agency Case Review Team



9 Marketing and Communication

The team's key objectives are to build the image and enhance the reputation of Land Registry; support the development, launch and uptake of new and existing products and services; and understand the customer and staff. Recent marketing campaigns have included:

Voluntary registration

The team worked closely with the Register Development Team on an integrated, direct-mail led marketing campaign to help encourage people to register their land. A series of direct mail leaflets, based on the theme 'Know where you stand, register your land' were issued to farmers, charities, educational bodies, local authorities and landed estates. A range of online and magazine advertising supported this campaign and helped raise awareness and direct enquiries through to our website and dedicated register development helpline. The campaign is ongoing and will now focus on farmers and large landed estates.

Land Register Online

Our Land Register Online campaign has continued to go from strength to strength. We attended the BBC Good Homes Show in May 2005 to promote Land Register Online to the general public. The stand proved to be an extremely successful addition to the show, with demand exceeding even the show organiser's expectations. We held an 'on-stand' surgery to help demonstrate our commitment to assisting the public. People seemed particularly interested in the information we hold and the transparency that this offers in the home-buying process.

Staff from our Coventry and Telford offices, along with people from our e-services teams at Head Office, were also at the stand offering advice and assistance to the public. On average, across the four days of the show, Land Register Online was demonstrated to about 90 people every hour.

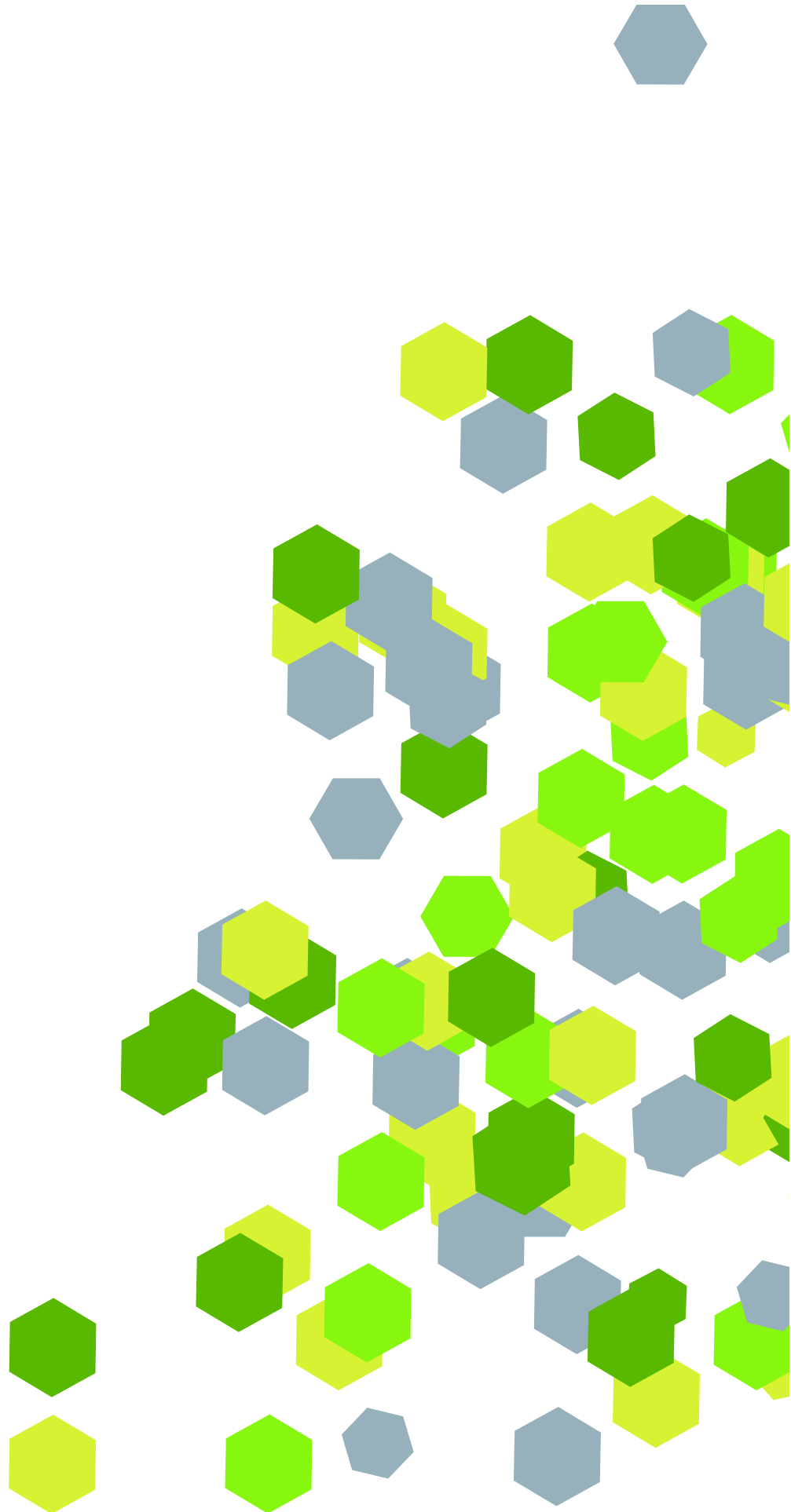
We also exhibited at two more shows in July 2005, the Royal Show at Stoneleigh Park, Warwickshire and the Great Yorkshire Show at the Great Yorkshire Showground near Harrogate.

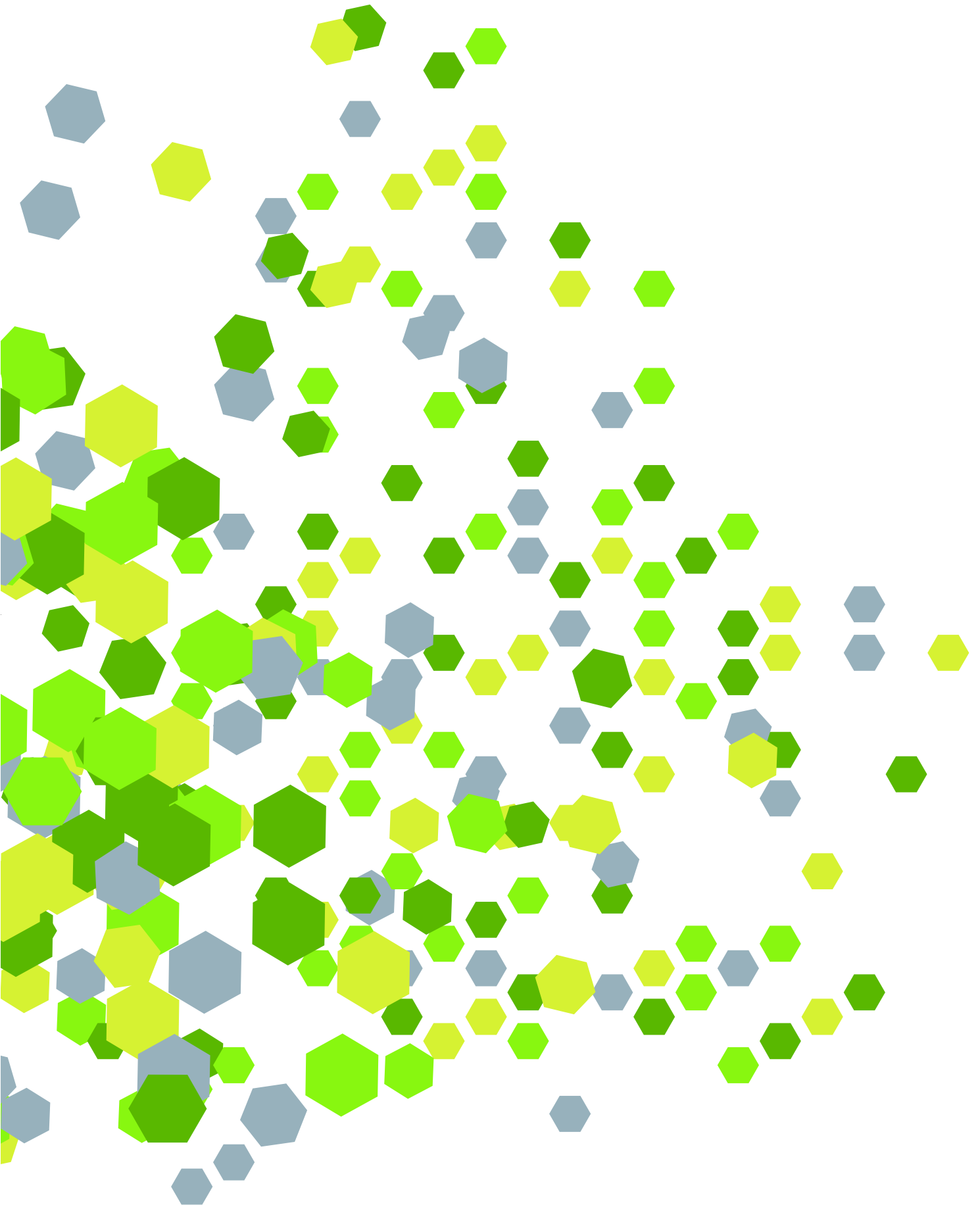
The marketing campaign includes online advertising on relevant property sites such as upmystreet.com and primelocation.com. Over the year, this online advertising and improved search engine activity has resulted in a 15 per cent rise in online transactions.

Land Register Online received a 2005 web award from the Web Marketing Association for outstanding achievement in website development.



Colin Simm Director of Marketing and Communication





How we performed against our strategic objectives in 2005/6

In this section of the report, we review the progress we have made towards our six strategic objectives.

Strategic objective 1

Continue to make improvements to the delivery of services to all stakeholders

Online access to scanned deeds

Following our successful scanning of all deeds referred to on the Land Register, these were made available to business customers using Land Registry Direct to view and download online. A key performance target for 2005/6 was to make these available also to the general public through Land Register Online and this has now been achieved. Customers can view and download the register of title, title plan and any deed referred to on the register. The service is available at www.landregisteronline.gov.uk

E-services strategy

The accomplishment of our key performance target relating to scanned deeds has enabled us to achieve the Prime Minister's target of delivering all key services electronically by 2005. Our strategy is to encourage customers to use our online services without penalising those who wish to use traditional methods. We are making strong headway even against our very popular Telephone Services. Comparing transactions through these two delivery mechanisms, 77.49 per cent arrived through e-services and 22.51 per cent through Telephone Services. At the start of the year, this was 68.09 per cent and 31.91 per cent respectively.



Points of presence

To raise our profile and make our services more easily accessible to the general public, we piloted an information point within a Halifax estate agency in Doncaster.

Although the public can visit a customer information centre in one of our offices located around the country, points of presence would provide this same service in a location where a regional office does not exist. Halifax identified Doncaster as having the highest footfall in the northern region and the pilot commenced on 7 November 2005.

Pre-launch publicity took place by way of flyers distributed to local libraries, citizens advice bureaux and local council offices. A local newspaper also carried an article on the launch. Initial numbers visiting the information point were low so publicity was increased using further newspaper advertising, posters at bus stops and railway stations, flyers in 6,500 copies of the free press and a local radio broadcast. Following this additional publicity, customer numbers increased significantly.

Questionnaires completed by customers indicated that 85 per cent were very satisfied with the services they received. The pilot is now being evaluated.

Strategic objective 2

Deliver timely and effective secondary legislation in relation to land registration

Legislation

Work is now proceeding on the drafting of the secondary legislation needed to support the e-conveyancing process and network access agreements (the contracts through which conveyancers and others will be authorised to use the electronic service).

We anticipate that a first draft of both legislation and network access agreements will be available later this year, although the final shape of these will depend upon both IT and business requirements. The draft legislation will then be the subject of a consultation exercise, which, we expect, will take place in the second half of 2006.

Standard form of lease

From October 2005, practitioners were encouraged to lodge draft leases containing prescribed clauses for approval under our 'draft for approval' procedures. For the period ending 31 March 2006, 160 applications were received.

The first stage for the introduction of the Land Registration (Amendment) (No 2) Rules commenced on 9 January 2006 with the beginning of the voluntary trial period. This period allows applicants to make leasehold applications using the prescribed clauses and to be given feedback by Land Registry on their use.

For the period 9 January 2006 to 31 March 2006, the number of leasehold applications received using the prescribed clauses was a disappointing 97 against an intake of 52,909.

The number of 'draft for approval' applications together with the substantive applications has, however, allowed us to review practices and processes to enable a smooth introduction of the compulsory period on 19 June 2006.

Strategic objective 3

Create a comprehensive Land Register for England and Wales

A further key performance target this year was to increase the area of freehold registrations by a further 5 per cent of the total area of England and Wales. Although we have a long history of exceeding the key performance targets set by Ministers, this one proved to be extremely tough. However, we made substantial efforts to promote the benefits of voluntary registration at national and local levels and, once the applications were forthcoming, worked very hard to process them. By the end of 2005/6, we had increased the registered coverage of England and Wales by 5.87 per cent.

The keys to this success were an increase in the skills of the staff charged with obtaining the necessary applications, a more focused approach on the largest landowners and the allocation of more than 400 dedicated staff across the organisation to process the work. More than 350 voluntary projects ranging in size from farms up to



Christine Peaden Director of Registration Change

large and complex local authority holdings were completed, as well as thousands of smaller landholdings.

Also crucial was the freehold land belonging to the Forestry Commission, representing 1.7 per cent of the total area of England and Wales. A close partnership between our staff and Forestry Commission offices all over the country allowed the registration of their estate to be completed smoothly and speedily.

Registration of all the freehold land belonging to government departments is also well under way. For instance, good progress has been made with the Department for Transport, Department for Environment, Food and Rural Affairs and Department for Culture, Media and Sport, as well as dozens of executive agencies. Local authorities remained a key source of applications, and we are now moving our focus to include parish, town and community councils.

Notable completed registrations in the last six months include Blenheim Palace, the British Museum, the Scilly Isles for the Duchy of Cornwall, the Driver and Vehicle Licensing Agency headquarters and Blackpool Promenade.

Major ongoing projects include the Duchy of Cornwall, the Church Commissioners, Crown Estates, the National Trust and large utility companies such as Dŵr Cymru Welsh Water and EDF.

Two notable innovations this year have made voluntary registration work easier, both for our customers and for ourselves. Firstly, new guidelines have been produced relating to the processing of large projects. This has led to a streamlining of our procedures, and the development of much more direct lines of communication with our customers where we work in partnership. Secondly, the Directing Board has approved a definition of the 'comprehensive register', which has served to clarify what we are trying to achieve and will allow us to focus on the areas where there is most to be done.

A central marketing campaign to promote voluntary registration has run alongside the many initiatives produced at local office level. A series of articles and adverts have appeared, helping to raise the profile of voluntary registration among the largest landowners. Our register development managers are often invited to speak at events held by other organisations to promote the benefits of land registration. The success of all these efforts means we have more than 550 ongoing voluntary first registration projects at the end of 2005/6.

Strategic objective 4

Introduce an electronic conveyancing system through which most property transactions will be effected

Electronic conveyancing

Since our last report, we have done much work on our approach to delivering e-conveyancing services. We have confirmed an incremental approach and are planning five tranches of delivery. Tranche 1 will be a prototype of the chain matrix with later tranches adding functionality and wider user bases. Each subsequent tranche will have a pilot phase to test the new services before roll-out. Users in Portsmouth, Bristol and Fareham will take part in the pilot of tranche 1 beginning in the autumn of 2006. Subsequent tranches will be piloted in different geographical areas, or with different user segments to ensure robust testing.

Our Minister has recently agreed the date for the launch of tranche 2, the full e-conveyancing pilot, as October 2007. Detailed planning is now under way to meet this target and plan the launch dates of tranches 3 to 5.

E-lodgement

The e-lodgement service was made available to all 6,000 conveyancers using Land Registry Direct in November 2005, as planned. Seventeen forms are now available. Since November 2005, more than 2,000 transactions have been lodged.

We will now concentrate on developing the electronic forms required for tranche 2 (and subsequent tranches). Plans are also underway to integrate the procured e-security solution (see E-security below) into electronically lodged forms.

Electronic Register Updates

Our Electronic Register Updates project has now been successfully completed, and is available to all conveyancers using Land Registry Direct. It enables the register of title to be updated automatically following an electronic application from a conveyancer. A conveyancer using the system can also choose to receive notification electronically on completion of the application.

Since the launch of the service in December 2005, more than 600 transactions have been received with 82 per cent being processed automatically and only a minority of users requiring a postal rather than electronic notification of processing.

Although restricted to minor updates (such as updating proprietorship details following a change of name), it has been a useful opportunity to prove the concept of users outside Land Registry initiating a change to the register electronically and will be a stepping stone for the development of greater functionality in later tranches of e-conveyancing services.

E-security

Our document authentication project allowed us to trial options for digital signatures with some of our customers. This was successfully

completed during 2005/6 with positive feedback having been received from pilot users.

The project has also provided a valuable input to our new e-security project for Land Registry as a whole. Through this, we have started to procure a robust electronic security solution for the release of e-conveyancing services from 2007 onwards. In the meantime, existing online security measures are being used to support our prototype chain matrix from the autumn of 2006.



Liz Hirst Director of E-conveyancing

Strategic objective 5

Make all land registration data electronically accessible to everyone

The Land Register

With the last manual register being converted in 2003/4, the Land Register is now fully electronic. This enables our customers to access our records electronically through two main e-services – Land Registry Direct for our account-holding business customers and Land Register Online for the public. The Land Register now comprises 20.513 million registered titles.

Land Register Online

Our online service, aimed at the general public, continues to grow in popularity, producing fee income of £2,438,422 during 2005/6. March 2006 saw the highest ever fee income for a single month recorded to date of £286,074.

A significant factor in this growth has been the marketing campaign initiated by our Marketing and Communication Team. Approximately 15 per cent of Land Register Online business now arrives through online advertising links, and this is increasing month by month.

We were very pleased that Land Register Online won the e-Government Innovation Award at the 2005 Good Communications Awards ceremony held at BAFTA, London, in November 2005.

Land Registry Direct

Land Registry Direct, our busiest electronic service by far, continues its upward trend. This service is aimed at property professionals and the number of organisations using it has risen over the past six months from 10,332 to 12,019, with individual users rising from 91,000 to 122,000.

In March 2006, users made 1,571,609 transactions, representing fees of £3,096,210 – the highest ever monthly fee income for the service to date.

Land Registry Direct is now a significant revenue earner, attracting fee income of £28,294,165 for 2005/6 (compared with £19,945,083 for the previous financial year).

The National Land Information Service (NLIS)

NLIS is a commercial service with three channels offering online conveyancing and other searches via the internet to solicitors and licensed conveyancers throughout England and Wales. The channels are competing in the marketplace and differentiate their services by packaging and presenting the information to suit their target audience. Searches are electronically sent and results received via the NLIS hub, which acts as the gateway for information and services from a number of data providers and also provides search tracking, billing and payment mechanisms. Land Registry has supported NLIS from its inception and we continue to be a major data provider to NLIS.

The number of Land Registry transactions delivered through NLIS in March 2006 was the highest ever at 157,112, with corresponding fee income of £423,358. The financial year 2005/6 ended with a total fee income from NLIS of £4,205,079. This is a 47.4 per cent increase on the previous year's total of £2,853,797.

The European Land Information System (EULIS)

The EULIS project was instigated in 2002 with the aim of opening up the European property and secured credit markets. A consortium of eight European land registries, including the Land Registry for England and Wales and Registers of Scotland, had by 2004 proved the concept, identified customer demand and produced a business case to take this forward. The programme objective is 'to provide easy worldwide access to European electronic land and property information in order to promote and underpin a single European property market'.

Land Registry has been one of the front runners in enhancing the existing EULIS website by developing online transactional features to be available in the summer of 2006. Close collaboration with our European partner organisations continues in developing the EULIS portal (hosted by Norway) – a common gateway for all EULIS transactions.



Ray Lewis Director of Service Delivery

Strategic objective 6

Develop a broader range of services for property professionals, the public and others

Commercial services

The Office of Fair Trading study into public sector information holders will provide us with the opportunity to examine the opportunity to undertake commercial work. We plan to use this study to investigate a number of alternative business framework models which are used elsewhere in the public sector to develop and market new 'commercial services' as carried out in other trading funds.

In addition, we are currently piloting two new, non-statutory consultancy services. The first enables us to monitor register changes on a given portfolio of properties and the second enables us to match, and therefore 'cleanse', data on behalf of commercial organisations.

Potential customers for the first of these services will come from a wide range and include local authorities, for the purpose of monitoring changes to their council tax records, and providers of major infrastructure projects, such as the Highways Agency. Potential customers for the second service include major financial institutions who are looking to verify property ownership of potential borrowers within the unsecured loan market and so reduce fraudulent loan applications.

International Unit

Land Registry's International Unit was established in 2003 following recommendations contained in our independent government review. Since then, the unit has taken on responsibility for coordinating all of our international activity.

In July, the International Unit undertook a two-week evaluation study of the Barbadian Land Title Registration programme.

Two members of our Information Systems Group have recently undertaken the work necessary to upgrade the Alderney Land Registry's IT systems.

At the end of August, representatives from our International Unit and e-Business Group, together with colleagues from the Survey and Land Registration Bureau of Bahrain (SLRB), made a presentation at a symposium on land registration in the Arab world. The International Federation of Surveyors (FIG) sponsored the event.

Throughout the year, we have continued to provide input into the UK Department for International Development (DFID)-funded Security, Justice and Growth programme in Nigeria. Working with the British Council, we have been providing both practical and technical guidance to assist with the improvement of land registry operations in Lagos, Kano, Enugu and Benue states.

We have also sought to provide technical support to Nigeria's Federal Land Registry, which we see as having a key role in the development of a robust national land registration strategy. In January, we signed a memorandum of understanding with the Federal Ministry of Housing and Urban Development, which is responsible for the Federal Land Registry, with the objective of providing advice and guidance in areas that include organisational and structural issues, capacity building, reform of land and property laws, the creation of national technical standards and the application of technology.

Building on our experiences in Nigeria, we have sought further engagement with DFID regarding the possibility of using our experience and expertise elsewhere. As a result of this, we have met officials responsible for the execution of land administration projects in India and Ghana to discuss how we may be of assistance. We have also provided direct input into a consultative workshop on land policy in Africa, organised by the African Union in collaboration with the United Nations Economic Commission for Africa and the African Development Bank and supported by DFID. The workshop was held in Addis Ababa at the end of March.

Working with our colleagues from the Registers of Scotland International Consultancy Group, we have also put together bids for land registration-related work in Slovenia, Lesotho and Mozambique.

In November, Ted Beardsall, our Deputy Chief Executive, together with members of our International Unit, attended the fourth session of the UNECE Working Party on Land Administration (WPLA) held in Geneva. Ted continues to represent Land Registry on the Bureau of the WPLA.

Our collaboration with our colleagues in the SLRB has continued. In November, we organised a week-long study visit to our Information Services Directorate based at Plymouth for senior officials from the SLRB.

Land Charges and Agricultural Credits Departments

The Agricultural Credits Department

Year	New registrations	Cancellations and	Searches rectifications
2003-04	1,891	1,458	5,490
2004-05	1,134	1,118	3,779
2005-06	1,021	928	3,769

The Land Charges Department

Type of application	Number of names	% variation compared with 2004/5
New registrations, rectifications and renewals	151,881	28.4
Cancellations	32,117	-16.7
Official searches		
i) Full searches	744,636	-2.2
ii) Searches limited to insolvency	4,161,387	1.1
Total searches	4,906,023	0.6
Official copies	91,782	-20.0
Total	5,181,803	0.7

The Land Charges Department operates under the authority of the Land Charges Act 1972. The Department maintains registers of land charges, pending actions, writs and orders affecting land and other encumbrances registered against the names of owners of property which is not registered under the land registration acts.

Agricultural Credits is responsible for maintaining a register of short-term loans by banks under Part II of the Agricultural Credits Act 1928. These charges are secured on farming stock and other agricultural assets of the farmer.

This year, the combined total of applications dealt with by the Land Charges and Agricultural Credits Departments was 5,187,521, which represents an increase of 0.7 per cent over the totals for 2004/5. This was due in the main to an increase in the number of insolvency registration applications received.

The proportion of search and official copy applications made by telephone, direct access and fax increased to 76 per cent of the totals received during this year, compared with 69 per cent in 2004/5, with 82 per cent of official copy applications being delivered in this way. Forty-seven per cent of Land Charge searches are now processed through Land Registry Direct and NLIS. The percentage of telephone searches conducted as a proportion of total search applications received decreased to 30 per cent compared with 51 per cent in the previous year.

Overview of Strategy for 2006/7

The financial year 2006/7 is the fifth year of delivering our rolling 10-Year Strategic Plan. Our six strategic objectives have been amended over time to reflect the progress we have made so far in achieving them. These can be found at Appendix 4. Our key performance indicators and targets for 2006/7 can be found at Appendix 5.

The strategic plan, revised to reflect progress made and changing circumstances, and a detailed business plan for the year can be downloaded from www.landregistry.gov.uk/strategy

Customer service and operations

The culture of completing the majority of routine property transactions affecting the whole of a registered title on the same day is now embedded. We have extended this to new title applications at all offices during the past year and aim to continue this process during 2006/7. It has enabled us to meet a more stringent performance target for processing times on casework.

We are committed to exploiting technological advances to improve our services to customers further. To this end, we aim to provide an online alternative to a textual search for enquiries about the current registered status of land, identified by means of a map, either in isolation or in conjunction with text-based searching.

Land registration legislation

The major work for the year will be taking forward the secondary legislation needed to support e-conveyancing, including network access agreements. When the legislation is drafted, we will be consulting widely on it during the second half of the year.

Comprehensive Land Register

In 2005/6 we introduced a new performance target for the increase in area of freehold land registered in England and Wales. To achieve this we have created a whole new network of new business and register development teams in local offices to secure and process this work. Having achieved that target, we can now continue to use the new infrastructure to press on with the task of building a comprehensive Land Register. The 2006/7 target is expressed in area rather than percentage terms (700,000 hectares) to enable more effective and transparent target setting at local offices.

Electronic conveyancing

We will be launching the first tranche of e-conveyancing services which, notably, includes a prototype chain matrix service. The chain matrix allows all the transactions in a residential conveyancing chain to be viewed online, identifying bottlenecks and providing transparency. It will be a key feature of our full service and the prototype is designed to give us valuable experience in creating this final version.

Electronic conveyancing represents our biggest investment and our greatest risk. To mitigate that risk we have developed our tranche strategy, which enables a progressive introduction of the service. We have agreed with HM Treasury that our development costs can be funded from our reserves but the live service must be paid for from our fee income.

Business development

Our long-term strategy is to provide the infrastructure to enable integrated online services for our customers and set the foundations for the full transactional e-conveyancing service. Our work for this year will be to establish a Land Registry Portal as a first step. We will then determine how we can integrate with and run all our existing online services through this portal.

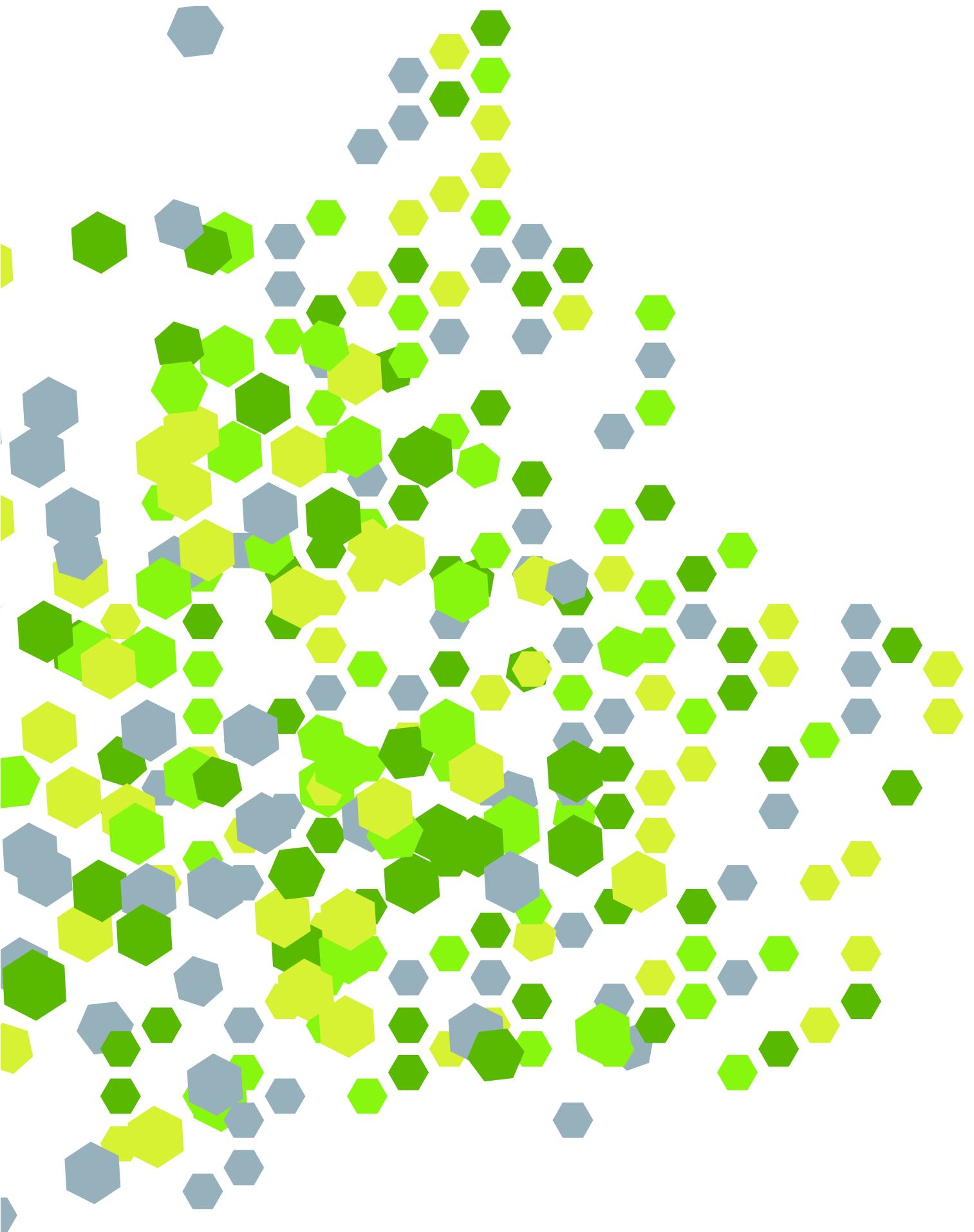
Risk policy

Our risk management policy is set out in Appendix 12.



Alan Pemberton Director of Strategy





Accounts 2005/6



Heather Foster Finance Director

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of Land Registry for the year ended 31 March 2006 under the Government Trading Funds Act 1973. These comprise the income and expenditure account, the balance sheet, the cash flow statement and statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of Land Registry, Chief Executive/Accounting Officer and Auditor

Land Registry and the Chief Executive are responsible for preparing the Annual Report, the remuneration report and the financial statements in accordance with the Government Trading Funds Act 1973 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the statement of internal control and Chief Executive's/Accounting Officer's responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions made thereunder. I also report whether, in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if Land Registry has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on page 74 reflects Land Registry's compliance with HM Treasury's guidance on the statement on internal control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of Land Registry's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the remuneration report to be audited. It also includes an assessment of the significant estimates and judgements made by Land Registry and the Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to Land Registry's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations that I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the remuneration report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the remuneration report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Trading Funds Act 1973 and directions made thereunder by HM Treasury, of the state of Land Registry's affairs as at 31 March 2006 and of its surplus for the year then ended;
- the financial statements and the part of the remuneration report to be audited have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions made thereunder; and
- in all material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities that govern them.

I have no observations to make on these financial statements.

John Bourn
Comptroller and
Auditor General

National Audit Office
157–197 Buckingham Palace Road
Victoria
London SW1W 9SP

Dated: 10 July 2006

Statement of trading fund's and Accounting Officer's responsibilities

Under Section 4(6) of the Government Trading Funds Act 1973, the Treasury has directed Land Registry to prepare a statement of accounts for each financial year in the form and on the basis set out in the accounts direction on page 100. The accounts are prepared on an accruals basis and must give a true and fair view of the trading fund's state of affairs at the year-end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the trading fund is required to:

- observe the accounts direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements
- prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the trading fund will continue in operation.

The Treasury has appointed the Chief Executive of Land Registry as the Accounting Officer for the trading fund. His relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Statement on internal control 2005/6

1 Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control which supports the achievement of Land Registry's policies, aims and objectives, set by the Secretary of State for Constitutional Affairs and Lord Chancellor, while safeguarding the public funds and the departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Government Accounting*.

I report on Land Registry's performance and on any future issues to the Secretary of State and Lord Chancellor at six-monthly intervals. Each written report is followed by a meeting between myself, the Secretary of State and Lord Chancellor, Department for Constitutional Affairs officials and, parliamentary commitments permitting, the Parliamentary Under-Secretary of State with day-to-day responsibility for Land Registry.

Included as part of the performance monitoring process is an indication of any future concern about the achievement of Land Registry's 10-Year Strategic Plan. If, in between the biannual reports, any issues arise that might change Land Registry's risk assessment of the achievement of any of its strategic objectives, a submission would be made to the Parliamentary Under-Secretary of State in the first instance.

2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives; to evaluate the likelihood of those risks being realised and the impact should they be realised; and to manage them efficiently, effectively and economically. The system of internal control has been in place in Land Registry since the year ended 31 March 2002 and up to the date of approval of this Annual Report and Accounts, and accords with Treasury guidance.

3 Capacity to handle risk

As Accounting Officer, I acknowledge my overall responsibility for the effective management of risk throughout Land Registry.

The risk management policy is reviewed and updated annually. This sets out Land Registry's attitude to risk and closely follows the Office of Government Commerce's guidance on risk management. Risk management guidance notes support the policy and are available to all staff electronically on Land Registry's intranet.

As part of the business planning process, a series of 'functional strategies' has been developed within the overarching 10-Year Strategic Plan. The Corporate Governance Functional Strategy incorporates action points related to the improvement of Land Registry's business continuity, audit, risk and security.

Significant risks to the organisation are considered by the Managing Board and, if necessary, the Directing Board. Responsibility for overseeing and directing risk management within Land Registry is undertaken by the Business Risk Board thereby fulfilling the overall management role specified in the BS7799-2: 2002 Standard.

4 The risk and control framework

The key elements of Land Registry's risk management strategy are described below:

- Area managers, heads of group, programme managers and information asset owners (designated risk register owners), with the aid of their senior staff, identify and assess, in terms of likelihood and impact, barriers to achieving business objectives and use the resulting information to compile, maintain and update risk registers which are recorded on the Land Registry risk reporting system.
- Risk owners are assigned to each risk and are responsible for identifying, recording, reviewing and monitoring control and contingency arrangements and developing improvement plans.
- Regular reports are made by managers on the steps they are taking to manage risks in their areas of responsibility, including reports on key projects.
- The adopted project methodology (PRINCE 2) requires all project sponsors and managers to identify risks and include risk management in their plans.
- Regular progress reports on key projects are provided to project boards. Programme managers are responsible for identifying, managing and reporting on significant risks to Land Registry's strategic objectives arising from their programmes.
- The Business Risk Board receives a combined business continuity and risk management report and details of any escalating risks at each of its meetings. A full review of the effectiveness of the risk reporting system is also presented quarterly by the Business Continuity Manager. Any areas of concern arising from any of these reports are drawn to the attention of the Managing Board.
- As part of its function, the Audit Committee monitors risk through reporting from the Business Risk Board. The Chair of the Audit Committee meets quarterly with the Head of Internal Audit and also holds separate half-yearly meetings with the National Audit Office to identify any areas of concern.
- The Directing and Managing Boards identify strategic risks and follow the same processes for developing and maintaining a strategic risk register. At each meeting, the Managing Board reviews all strategic risks with a high or medium score for both 'likelihood' and 'impact'. The Finance Director has been delegated the responsibility for signing off the strategic risk register.
- Business continuity plans support the risk management process and each office rehearses its business continuity plans as part of the annual programme of exercises.
- Risks to the integrity, confidentiality and availability of Land Registry's information are controlled by following the best practices set out in BS7799 – the British Standard for information security. Currently, Land Registry has BS7799-2: 2002 accreditation.

5 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and executive managers within Land Registry who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Directing and Managing Boards, the Audit Committee and Business Risk Board, and plans to address weaknesses and ensure continuous improvement of the system are in place.

The key elements of the system of internal control are set out in section 4 above and contribute to my review of the system's effectiveness. The following also inform my review:

- **The Directing Board**, chaired by myself, concentrates on the strategic direction of Land Registry to ensure delivery of the 10-Year Strategic Plan. It is a requirement that each proposal to the Board includes a risk assessment. At the end of each meeting, the Board considers the risk implications of any decision it has made.
- **The Managing Board**, chaired by the Deputy Chief Executive, reports to the Directing Board. It ensures that the annual Business Plan's key performance indicators are monitored and achieved. The Board reviews the strategic risk register and ensures that the controls in place to counter risks are sufficient. It receives regular updates on the work of the Business Risk Board from the Finance Director and reports on the various elements of the business to ensure internal control is maintained.
- **The Audit Committee** reports to the Directing Board. It comprises a Chair and Deputy Chair (both filled by Non-Executive Directors), the HR Director and an area manager. Another non-executive member has recently been appointed as a member to add to the Committee's financial skills. The Finance Director and myself are attendees. The Audit Committee assesses the financial and operational processes of Land Registry. It also considers reports from the Business Risk Board and Internal Audit, and also the management letter from the sub-contracted financial external auditor, responsible to the National Audit Office. The effectiveness of risk management is reviewed at the quarterly meetings. Any concerns are reported to the Directing Board for action.
- **The Business Risk Board**, chaired by the Finance Director, reports to both the Managing Board and Audit Committee. It considers regular reports on the completion of the risk register and issues arising from the monitoring and the effectiveness of the risk management process.
- **The Business Continuity Manager** is the custodian of the risk reporting system. The Business Continuity Group provides support to users of the risk reporting system and is responsible for monitoring the register and escalating risks to director level in accordance with set criteria. Formal reports are delivered to the Business Risk Board.
- **Internal Audit** operates to government internal audit standards established by the Treasury. It submits regular reports, which

include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of Land Registry's risk management, control and governance arrangements, together with recommendations for improvement. Internal Audit adopts a risk-based approach in much of its work. In particular, the annual audit planning process takes account of the risks and associated controls identified in risk registers. Individual Internal Audit reports are circulated to the Directing Board and Audit Committee.

Overall, I am satisfied with the effectiveness of the system of internal control in Land Registry.

Peter Collis
Chief Land Registrar and Chief Executive

Remuneration report

Remuneration policy for senior civil servants

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. In reaching its recommendations, the review body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment and retention of staff
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the Government's departmental expenditure limits
- the Government's inflation target.

The review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the review body can be found at www.ome.uk.com

Two Senior Civil Service (SCS) Pay Committees, acting on the authority of the Directing Board, consider the pay recommendations provided by line managers and decide the distribution of bonuses in the annual pay review for Land Registry staff in the SCS, in accordance with the guidance issued by the Cabinet Office.

Both base pay and bonuses are dependent on performance, which is assessed through an annual appraisal system for senior civil servants, more details of which can be found at www.civilservice.gov.uk

During the year, the members of the Pay Committee dealing with SCS pay band 1 were: Alison Porter (Chair), Ted Beardsall, Andy Howarth and Joe Timothy; and for the Pay Committee dealing with SCS pay band 2: Alison Porter (Chair), Jan Smith and Richard Allen, HR Director Defra, as independent representative.

Remuneration policy for other civil servants

Pay for Land Registry staff who are not in SCS grades is determined under the terms of the Pay Agreement, which came into effect on 1 April 1995. Under this agreement, pay is determined each year following negotiation and consultation between Land Registry and the unions, and is subject to approval by the Treasury.

In 2005/6, for satisfactory performers who had been in the grade one year, the pay award comprised a guaranteed progression of one step up the pay band and a revalorisation of the pay band. For satisfactory performers with less than one year's service in the grade, the pay award comprised a revalorisation of pay. In addition, there was a performance-related non-consolidated bonus for all staff who received the top appraisal marking.

Service contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition.

All the directors covered by this report hold appointments that are open-ended until they reach the normal retiring age of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk

Salary and pension entitlements

Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; London allowances; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation. None of the directors received any benefits in kind during the year. The table below is based on payments made by Land Registry and thus recorded in these accounts.

	Salary, including performance pay		Real increase in pension and lump sum at 60		Total accrued at 31 March 2006		Cash equivalent transfer value (CETV) at 31 March		Real increase in CETV after adjustment for inflation and changes in investment factors
	2006	2005	Pension	Lump sum	Pension	Lump sum	2005	2006	
	£'000	£'000					£'000	£'000	
Directing Board									
Peter Collis Chief Land Registrar and Chief Executive	145-150	135-140	3-3.5	10-10.5	50-55	150-155	747	1,007	64
Ted Beardsall* Deputy Chief Executive and Director of Business Development	115-120	110-115	0-0.5	0-0.5	55-60	165-170	1,192	1,338	(17)
Andy Howarth* Director of Operations	110-115	100-105	3-3.5	10-10.5	45-50	145-150	880	1,144	76
Joe Timothy* Director of Legal Services	115-120	110-115	1.5-2	5.5-6	35-40	110-115	577	760	36
Jan Smith (contract ended 30 April 2005, retained Audit Committee Chair until 15 December 2005) Non-Executive Director and Chair of Audit Committee	5-10	25-30	-	-	-	-	-	-	-
Alison Porter (contract ended 30 June 2005) Non-Executive Director and Chair of Remuneration Committee	0-5	15-20	-	-	-	-	-	-	-
Mike Cutt (appointed 1 May 2005) Non-Executive Director and Chair of Remuneration Committee	15-20	-	-	-	-	-	-	-	-
David Rigney (appointed 1 June 2005) Non-Executive Director and Chair of Audit Committee	15-20	-	-	-	-	-	-	-	-

*Also member of Managing Board.

	Salary, including performance pay		Real increase in pension and lump sum at 60		Total accrued at 31 March 2006		CETV at 31 March		Real increase in CETV after adjustment for inflation and changes in investment factors
	2006	2005	Pension	Lump sum	Pension	Lump sum	2005	2006	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Managing Board									
Heather Foster Finance Director	85-90	80-85	1-1.5	4-4.5	25-30	75-80	375	503	26
Alan Pemberton Director of Strategy	70-75	70-75	0.5-1	2-2.5	30-35	90-95	588	725	17
Ian Johnson (resigned 22 July 2005) Director of Information Systems	35-40	75-80	0-0.5	0.5-1	0-5	10-15	32	48	3
John Wright (appointed 24 August 2005) Director of Information Systems	50-55	-	0.5-1	-	0-5	-	-	11	8
Allen Elston Director of Facilities	65-70	65-70	1-1.5	3.5-4	20-25	65-70	300	408	22
Linda Daniels Director of HR	85-90	80-85	2.5-3	7.5-8	35-40	115-120	689	902	56
Peter Norman (retired from the Board 1 June 2005) Director of Service Development	10-15	65-70	1-1.5	4-4.5	30-35	95-100	217	673	29
Andrew Trigg Director of Geographic Information	60-65	10-15	0.5-1	2-2.5	10-15	35-40	137	197	11
Ray Lewis (appointed 1 June 2005) Director of Service Delivery	55-60	-	3-3.5	9.5-10	25-30	80-85	434	602	71
Jeremy Donaldson (appointed 12 August 2005) Head of Agency Case Review Team	45-50	-	0.5-1	-	20-25	-	202	277	9
Colin Simm Director of Marketing and Communication	65-70	50-55	1.5-2	5.5-6	20-25	70-75	239	467	35
Christine Peaden Director of Registration Change	60-65	30-35	2-2.5	7-7.5	20-25	65-70	256	376	39
Other directors									
Liz Hirst Director of E-conveyancing	70-75	5-10	1-1.5	-	0-5	-	20	49	21
Linda Chamberlain Director of Education and Training	60-65	60-65	1-1.5	3-3.5	15-20	45-50	194	274	17

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory-based 'final salary' defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for classic and 3.5 per cent for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

For 2005/6, Land Registry paid employer's contributions of £33.6 million (2004/5 £24.3 million) at one of four rates in the range 16.2 to 24.6 per cent of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they accrue, not costs as they actually incurred, and reflect past experience of the scheme.

The partnership pension account is a stakeholder pension arrangement. Land Registry makes a basic contribution of between 3 per cent and 12.5 per cent (depending on the age of the member) into one of three approved stakeholder pension products. For 2005/6 this contribution was £35,649 (2004/5 £25,915). The employee does not have to contribute, but where they do make contributions the employer will match these up to a limit of 3 per cent of pensionable salary (in addition to the employer's basic contribution). Land Registry also contributes a further 0.8 per cent of pensionable salary (£2,981; 2004/5 £2,557) to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

Fourteen individuals retired early during the year on ill-health grounds. The total additional accrued pension liabilities in the year amounted to £14,747.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

Cash equivalent transfer values

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension

payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003/4 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. Please note that the factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary. The CETV figure for 31 March 2005 has been restated using the new factors so that it is calculated on the same basis as the CETV figure for 31 March 2006.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation and contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Income and expenditure account for the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Fee income – continuing operations	1	395,432	397,301
Cost of service	1	<u>(344,489)</u>	<u>(348,249)</u>
Gross surplus		50,943	49,052
Administrative expenses	1	<u>(20,194)</u>	<u>(20,941)</u>
Operating surplus	2	30,749	28,111
Profit on disposal of fixed assets		91	27
Interest receivable		9,160	9,625
Interest payable and similar charges	5	<u>(31)</u>	<u>(312)</u>
Surplus for the financial year		39,969	37,451
Dividend payable	6	<u>(14,229)</u>	<u>(12,793)</u>
Retained surplus for the financial year		<u><u>25,740</u></u>	<u><u>24,658</u></u>

The notes on pages 91 to 99 are an integral part of these accounts.

Statement of total recognised gains and losses for the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Surplus for the financial year		39,969	37,451
Unrealised surplus on revaluation	16	13,647	9,944
Realised gains transferred to income and expenditure	16	(1,115)	0
Total recognised gains and losses for the financial year		<u>52,501</u>	<u>47,395</u>

The notes on pages 91 to 99 are an integral part of these accounts.

Reconciliation of movements in government funds for the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Surplus for the financial year		39,969	37,451
Dividend payable	6	<u>(14,229)</u>	<u>(12,793)</u>
		25,740	24,658
Surplus on revaluation	16	12,532	9,944
(Decrease)/increase in Indemnity Fund	14	(6,966)	8,500
(Decrease)/increase in Government Grant Reserve	27	<u>(830)</u>	<u>7,557</u>
Net increase in government funds		30,476	50,659
Opening government funds		<u>384,204</u>	<u>333,545</u>
Closing government funds		<u>414,680</u>	<u>384,204</u>

The notes on pages 91 to 99 are an integral part of these accounts.

Balance sheet as at 31 March 2006

	Notes	2006		2005	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	7		228,081		210,587
Intangible assets					
Research and development	29		8,133		0
Current assets					
Stocks	8	2,011		1,712	
Debtors	9	20,464		20,730	
Cash at bank and in hand	22, 26	232,664		231,749	
		<u>255,139</u>		<u>254,191</u>	
Creditors – amounts falling due within one year	10	<u>(62,829)</u>		<u>(66,041)</u>	
Net current assets			<u>192,310</u>		<u>188,150</u>
Total assets less current liabilities			428,524		398,737
Creditors – amounts falling due after more than one year	11		<u>(13,844)</u>		<u>(14,533)</u>
Net assets			<u>414,680</u>		<u>384,204</u>
Financed by Indemnity Fund	14		15,258		22,224
Capital and reserves					
Public Dividend Capital	15		61,545		61,545
Government Grant Reserve	27		11,700		12,530
Revaluation Reserve	16		71,406		58,874
Income and expenditure account	17		254,771		229,031
			<u>414,680</u>		<u>384,204</u>

The notes on pages 91 to 99 are an integral part of these accounts.

Peter Collis
Chief Land Registrar and Chief Executive
Date: 4 July 2006

Cash flow statement for the year ended 31 March 2006

	Notes	2006 £'000	2005 £'000
Net cash inflow from operating activities	21	44,481	54,778
Returns on investments and servicing of finance			
Interest received		9,210	9,411
Interest element of finance lease payments		(31)	(312)
		<u>9,179</u>	<u>9,099</u>
Capital expenditure			
Purchase of tangible fixed assets		(40,855)	(20,428)
Sale of tangible fixed assets		1,408	64
Net cash outflow from capital expenditure		<u>(39,447)</u>	<u>(20,364)</u>
Dividend paid on Public Dividend Capital		<u>(12,793)</u>	<u>(22,847)</u>
Net cash inflow before financing		1,420	(20,666)
Financing			
Capital element of finance lease payments		(505)	(601)
Increase in cash		<u>915</u>	<u>20,065</u>

The notes on pages 91 to 99 are an integral part of these accounts.

Accounting policies

Basis of accounting

The Accounts have been prepared under the historic cost convention, modified to include the revaluation of tangible fixed assets, in a form directed by the Treasury.

Without limiting the information given, the Accounts meet the accounting and disclosure requirements of the Companies Acts and the accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are appropriate.

Fee income

This is stated net of any refunds in respect of statutory services for registration of title and Land Charges including Agricultural Credits.

Operating leases

Rental costs under operating leases are charged to the income and expenditure account as incurred.

Pensions

Present and retired employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), details of which are in the remuneration report.

Early retirement costs

The full costs of early retirement are recognised in the year that the obligation becomes binding. Payments are due from Land Registry from the date of early retirement until the age of 60, when the liability is assumed by the PCSPS.

Tangible fixed assets

Freehold and long leasehold land and buildings are professionally valued every three years. In the intervening years, the Valuation Office Agency provides a 'desktop' valuation. Other fixed assets are valued using the Office for National Statistics indices.

Tangible fixed assets are included at revaluation less accumulated depreciation.

Assets in the course of construction are not depreciated.

The depreciation charge is calculated so as to allocate the cost or revalued amount of tangible fixed assets systematically over their remaining useful lives using the straight-line method.

Asset lives are reviewed at the end of each financial year.

The following asset depreciation rates are used:

Freehold land	nil
Freehold buildings	2 per cent
Leasehold land and buildings	period of the lease
Telecommunications equipment	20 per cent
Furniture, fixtures and fittings	20 per cent
Office equipment	20 per cent
Computers: mainframe	20 per cent
Computers: mini and PCs	33 ¹ / ₃ per cent
Motor vehicles	33 ¹ / ₃ per cent
Structured cabling	10 per cent
Plant and heavy machinery	10 per cent

Impairment of fixed assets

Impairment reviews are undertaken if there are indications that the carrying values may not be recoverable. The applicable government discount rate is 3.5 per cent.

Stocks and work-in-progress

Stocks and work-in-progress are stated at the lower of cost and net realisable value as follows:

Stationery stocks	stocks of stationery are stated at purchase cost on a first-in first-out basis.
Work-in-progress	is stated at the lower of cost (direct materials and salaries plus attributable overheads on normal level of activity) and net realisable value, which is based on the fee, less further costs expected to be incurred on completion of the case.

Indemnity Fund

The Indemnity Fund was established in 1994. In 2003/4, Land Registry commissioned Lane, Clark & Peacock to carry out an actuarial review. Its report recommended that Land Registry increased the Fund to £13.724 million as at 31 March 2004. A comprehensive review of the Indemnity Fund will be undertaken in 2006, with an annual update of the 2003 review in the intervening years. Claims that are proved and covered by the fund will, in the first instance, be charged against the fund.

Finance leases

Where Land Registry retains all the risks and rewards of ownership of an asset subject to a lease, the lease is treated as a finance lease. Future instalments payable under finance leases, net of finance charges, are included in creditors with the corresponding asset values recorded in fixed assets and depreciated over the shorter of their estimated useful lives or their lease terms. The applicable government discount rate is 3.5 per cent.

Lease payments are apportioned between the finance element, which is charged to the income and expenditure account as interest, and the capital element, which reduces the outstanding obligation for future instalments.

Capital government grants

The value of the assets funded by government grants for capital expenditure is held in a Government Grant Reserve. The assets paid for by the grant are revalued and depreciated in line with Land Registry's fixed asset policy. Depreciation charges and revaluation movements for these assets are charged to the reserve in line with *Government Accounting* guidance.

Payments to Private Finance Initiative (PFI) suppliers

PFI transactions have been accounted for in accordance with Technical Note No. 1 (Revised) on 'How to account for PFI transactions'. As the balance of the risks and rewards of ownership of the PFI property are borne by the PFI operator, the PFI payments are recorded as an operating cost.

Development costs for e-conveyancing

Land Registry is currently developing e-conveyancing, an electronic system to help improve the processes of buying, selling and registration of land and property in England and Wales. The cost of developing e-conveyancing is being capitalised as an intangible asset on the balance sheet. Expenditure is separately identified by a series of projects held within an e-conveyancing programme structure. All programme costs, including directly attributable staff costs, eligible under SSAP 13 to be defined as development expenditure, are being capitalised. They will be amortised against future e-conveyancing income streams.

Notes to the Accounts

1 Segmental reporting

The information contained in this note satisfies a dual purpose. The first is to comply with the Treasury *Fees and Charges* guide and the second is to comply with the Statement of Standard Accounting Practice 25.

There are two separate statutory services carried out by Land Registry: registration of title and Land Charges including Agricultural Credits. Detailed in the table below is the fee income, total cost of service and surplus for each of these services.

	Registration of title		Land Charges and Agricultural Credits		Total	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000	2006 £'000	2005 £'000
Fee income	386,192	388,445	9,240	8,856	395,432	397,301
Cost of service	(341,632)	(344,858)	(2,857)	(3,391)	(344,489)	(348,249)
Administrative expenses	(20,029)	(20,737)	(165)	(204)	(20,194)	(20,941)
Operating surplus	24,531	22,850	6,218	5,261	30,749	28,111

The financial objective of the trading fund is to cover the costs of the two services and to make a return on average capital employed of 3.5 per cent, taking one year with another. See also note 23.

Land Charges and Agricultural Credits net assets represent approximately 2 per cent of Land Registry's total net assets. It is therefore inappropriate to separately notate this information.

2 Operating surplus

	2006 £'000	2005 £'000
Operating surplus is stated after charging		
Staff costs (see note 3 and remuneration report)	240,389	228,847
Provisions for indemnity costs (see note 14)	1,424	8,500
IT infrastructure costs (see note 25)	17,360	20,479
Hire of machinery	5,541	4,676
Auditor's remuneration – audit fee	68	68
Depreciation current year – owned assets (see note 7)	17,546	19,308
Depreciation current year – leased assets (see note 7)	1,110	1,106
Impairment in value of fixed assets	5,193	9,241
Early retirement costs (see note 14)	681	1,867
Charge for operating leases – buildings	4,478	4,179
Other operating income	(2,499)	(2,132)

3 Staff costs

	2006 £'000	2005 £'000
Salaries	192,009	189,355
Social security costs	13,591	13,325
Other pension costs (see remuneration report)	33,605	24,302
Contract staff	1,184	1,865
	<u>240,389</u>	<u>228,847</u>

The amounts disclosed as salaries include directors' remuneration, but exclude payments made to contract staff.

4 Average number of persons employed by Land Registry during the year was made up as follows:

	2006	2005
Senior management	15	14
Operational	7,740	8,015
Administration	324	271
IT	467	437
	<u>8,546</u>	<u>8,737</u>

The average number of staff include 26 (2004/5: 53) contract staff included within operational, administration and IT.

5 Interest payable and similar charges

	2006 £'000	2005 £'000
Finance charges paid	<u>31</u>	<u>312</u>

Rental reviews have been recognised as part of the capital value reducing their interest payable.

6 Dividend payable

	2006 £'000	2005 £'000
Dividend payable	<u>14,229</u>	<u>12,793</u>

Land Registry is required to pay to HM Treasury an annual dividend being 3.5 per cent of the average capital employed during the financial year.

7 Tangible fixed assets

	Land and buildings			Assets under construction	Computer, telecoms and office equipment	Furniture, fixtures and fittings and motor vehicles	Total
	Freehold	Long lease	Short lease				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At beginning of year	119,060	40,908	3,495	7,062	64,175	27,996	262,696
Reclassification	(591)	(3)	0	594	0	0	0
Additions	90	0	193	12,709	13,635	3,938	30,565
Commissioned assets	2,049	0	0	(7,325)	5,188	88	0
Revaluation*	15,092	1,010	(607)	0	(1,911)	111	13,695
Impairment*	(640)	(89)	(709)	(2,300)	(1,526)	0	(5,264)
Disposals	(355)	0	0	0	(10,345)	(628)	(11,328)
At end of year	134,705	41,826	2,372	10,740	69,216	31,505	290,364
Depreciation							
At beginning of year	0	0	0	0	35,891	16,218	52,109
Provided during the year**	1,759	1,006	336	0	13,054	3,739	19,894
Backlog depreciation	3,025	76	13	0	(1,914)	(404)	796
Impairment	0	0	0	0	(505)	0	(505)
Disposals	(22)	0	0	0	(9,436)	(553)	(10,011)
At end of year	4,762	1,082	349	0	37,090	19,000	62,283
Net book value as at 31 March 2006	129,943	40,744	2,023	10,740	32,126	12,505	228,081
Net book value as at 31 March 2005	119,060	40,908	3,495	7,062	28,284	11,778	210,587

* £0.314 million (2004/5: £0.050 million) allocated to assets funded by government grant; see note 27.

** £1.238 million (2004/5: £0.753 million) allocated to assets funded by government grant; see note 27.

The accounting policies state that Land Registry's policy is to professionally value freehold and long leasehold land and buildings every three years. A full valuation was conducted as at 1 January 2005. In the intervening years, these figures are updated by a 'desktop' valuation. Both professional valuations and 'desktop' valuations are supplied by external valuers, the Valuation Office Agency. The basis of valuation was existing use with open market value for surplus or sublet properties. There was an excess of £10.9 million of open market value over existing use value for freehold property as at 1 January 2005.

The net amount of finance leases at the end of the year was £14.10 million. In the year £0.70 million of depreciation related to these assets.

Where property value falls below original values, the deficits (temporary and permanent) are charged to the income and expenditure account as impairment.

Freehold land amounted to £38.87 million (2004/5: £35.83 million), which has not been depreciated.

8 Stocks

Stocks comprise:	2006	2005
	£'000	£'000
Stationery stocks	12	21
Work-in-progress	1,999	1,691
	<u>2,011</u>	<u>1,712</u>

9 Debtors

Debtors due within one year	2006	2005
	£'000	£'000
Trade debtors	9,537	9,246
Other debtors	2,222	2,857
Prepayments and accrued income	7,201	7,675
	<u>18,960</u>	<u>19,778</u>
Debtors due after more than one year		
Other debtors	1,504	952
Total debtors	<u>20,464</u>	<u>20,730</u>

10 Creditors – amounts falling due within one year

	2006	2005
	£'000	£'000
Fees received in advance	9,361	6,965
Trade creditors	4,103	7,484
Net obligations under finance leases	939	892
Other creditors	3,726	3,439
Accruals	24,915	28,611
Dividend payable	14,229	12,793
Taxation and social security	4,607	4,470
Early retirement	949	1,387
	<u>62,829</u>	<u>66,041</u>

11 Creditors – amounts falling due after more than one year

	2006	2005
	£'000	£'000
Finance lease obligations	13,254	13,612
Early retirement	590	921
	<u>13,844</u>	<u>14,533</u>

12 Lease commitments

Annual commitments in respect of land and buildings operating leases which expire within:	2006 £'000	2005 £'000
One year	50	776
Two to five years	1,873	1,102
More than five years	2,556	2,301
	<u>4,479</u>	<u>4,179</u>
Finance lease obligations		
Payments due within:		
One year	939	892
Two to five years	3,571	3,434
More than five years	9,683	10,178
	<u>14,193</u>	<u>14,504</u>

13 Loans

Land Registry has no outstanding loans as at 31 March 2006.

14 Early retirement and Indemnity Fund

	Early retirement		Indemnity Fund	
	2006 £'000	2005 £'000	2006 £'000	2005 £'000
At 1 April	2,308	1,411	22,224	13,724
Additions during the year	681	1,867	6,637	11,691
Utilised in year	(1,450)	(970)	(13,603)	(3,191)
At 31 March	<u>1,539</u>	<u>2,308</u>	<u>15,258</u>	<u>22,224</u>

15 Public Dividend Capital

	2006 £'000	2005 £'000
Issued pursuant to the Government Trading Funds Act 1973 as amended by the Government Trading Act 1990	<u>61,545</u>	<u>61,545</u>

16 Revaluation Reserve

	2006 £'000	2005 £'000
Unrealised:		
At 1 April	58,874	48,930
Revaluation surplus (see note 7)	13,010	9,944
Realised gains	(1,115)	0
Transfer to impairment	637	0
At 31 March	<u>71,406</u>	<u>58,874</u>

17 Income and expenditure account

	2006 £'000	2005 £'000
At 1 April	229,031	204,373
Retained surplus for year	25,740	24,658
At 31 March	<u>254,771</u>	<u>229,031</u>

18 Post balance sheet events

There have been no post balance sheet events.

19 Capital commitments

	2006 £'000	2005 £'000
Capital expenditure:		
Contracted for but not provided in these Accounts	10,679	14,298

20 Contingent liabilities

The Land Registration Act 2002 places a legal liability on Land Registry to indemnify for losses resulting from errors or omissions on the register of title. This includes errors resulting from frauds perpetrated by third parties. As a statutory insurer of titles in England and Wales, indemnity payments are not confined to mistakes made by Land Registry. Claims pending under this liability were as follows:

	2006 £'000	2005 £'000
In relation to entries in the Register	7,315	5,922
Fraud and forgery	3,081	1,780

21 Reconciliation of operating surplus to net cash inflow from operating activities

	2006 £'000	2005 £'000
Operating surplus	30,749	28,111
Depreciation charges	18,656	20,414
Impairment in value of fixed assets	5,193	9,290
(Decrease)/increase in provision for early retirement	(768)	897
(Decrease)/increase in stocks	(299)	378
Increase in debtors	216	4,403
Decrease in creditors	(2,300)	(17,215)
(Decrease)/increase in Indemnity Fund	(6,966)	8,500
Net cash inflow from operating activities	<u>44,481</u>	<u>54,778</u>

22 Reconciliation of net cash flow to movement in net cash

	2006 £'000	
	Land Registry funds	Customer deposits
Net cash at start of period	231,749	1,687
Increase in cash in the period	<u>915</u>	<u>403</u>
Net cash at end of period	<u>232,664</u>	<u>2,090</u>

	2005 £'000	
	Land Registry funds	Customer deposits
Net cash at start of period	211,684	1,541
Increase in cash in the period	<u>20,065</u>	<u>146</u>
Net cash at end of period	<u>231,749</u>	<u>1,687</u>

Land Registry has no borrowings, relies primarily on income from statutory activities and is therefore not exposed to liquidity risks. Material deposits are held at the Bank of England.

All material assets and liabilities are denominated in sterling, so Land Registry is not exposed to interest rate risk or currency risk.

23 Corporate financial targets

	2006		2005	
	Actual	Target	Actual	Target
Return on average capital employed	10%	3.5%	7.6%	3.5%

24 Related party disclosures

In accordance with guidance issued on 21 March 1997 by HM Treasury, to comply with Financial Reporting Standard 8, Related Party Disclosures, the following information is provided on related party transactions.

Land Registry is an executive agency, trading fund and government department. During the year it has had a number of material transactions with other government departments and other central government bodies. Most of these transactions have been with the Ordnance Survey, the Office of the Deputy Prime Minister and the Post Office.

None of the board members, members of the key management staff or other related parties have undertaken any material transactions with Land Registry.

25 Public-private partnership

A contract was awarded in July 1999 to Compaq Services (now Hewlett Packard) for up to a 10-year period under a public-private partnership. Hewlett Packard is required to design, implement and manage the IT infrastructure for Land Registry's registration systems. The infrastructure will support Land Registry's move towards integrating its computerised registers, title plans and supporting deeds. The National Audit Office has examined the public-private partnership contract and submission by Land Registry and confirmed that it should be treated as off balance sheet. This complies with the criteria set out in the 'Treasury Taskforce Private Finance – Technical Note (Revised)' issued in July 1999 and the amendment to FR55 – 'Reporting the Substance of Transactions: Private Finance Initiative and Similar Contracts'.

Hewlett Packard is providing a managed service and this is achieved with an on-site team that will work in partnership with Land Registry's local system administrators. As the contract is service-based, there is a zero capital value. To maximise the use of Land Registry's IT assets, PCs, servers and hubs that are compatible with the managed service are now maintained by Hewlett Packard on Land Registry's behalf. The value of Land Registry's equipment as described is £2.78 million.

For 2005/6, £17.36 million (2004/5: £20.48 million) was charged to the income and expenditure account under the Hewlett Packard contract. The future payments committed under the contract are:

	£'000
2006/7	19,013
2007/8–2009/10	45,398
	<u>64,411</u>

26 Cash at bank and in hand

Land Registry holds customer deposits as part of the credit account payment facility. At the year-end, there were 105 accounts (2004/5: 92) for which a total of £2.09 million (2004/5: £1.69 million) was held in Land Registry's bank account.

Customer deposits are not shown in the balance sheet as they relate to third party monies (see note 22).

27 Government Grant Reserve

In 2002/3, Land Registry was awarded £15 million from the Capital Modernisation Fund to develop new computer facilities. Of this amount, £0.72 million was for the purchase or construction of assets in 2005/6 (2004/5: £8.36 million) and has been credited to the Government Grant Reserve.

	2006 £'000	2005 £'000
At 1 April	12,530	4,973
Capital Modernisation Fund	722	8,360
Revaluation (see note 7)	(111)	(50)
Depreciation (see note 7)	(1,238)	(753)
Impairment (see note 7)	(203)	0
At 31 March	<u>11,700</u>	<u>12,530</u>

28 Intra-government balances

	Debtor 2006 £'000	Debtor 2005 £'000	Creditor 2006 £'000	Creditor 2005 £'000
As at 31 March				
Other government bodies	600	956	32	4
Local authorities	17	14	4	3,755
NHS trusts	13	23	–	–
Public corporations and trading funds	14	47	16	86

29 E-conveyancing

	2006 £'000
Capitalised e-conveyancing costs	8,133

The cost of developing e-conveyancing is being capitalised as an intangible asset on the balance sheet and will be amortised against future e-conveyancing income streams. Please see Accounting policies on page 90.

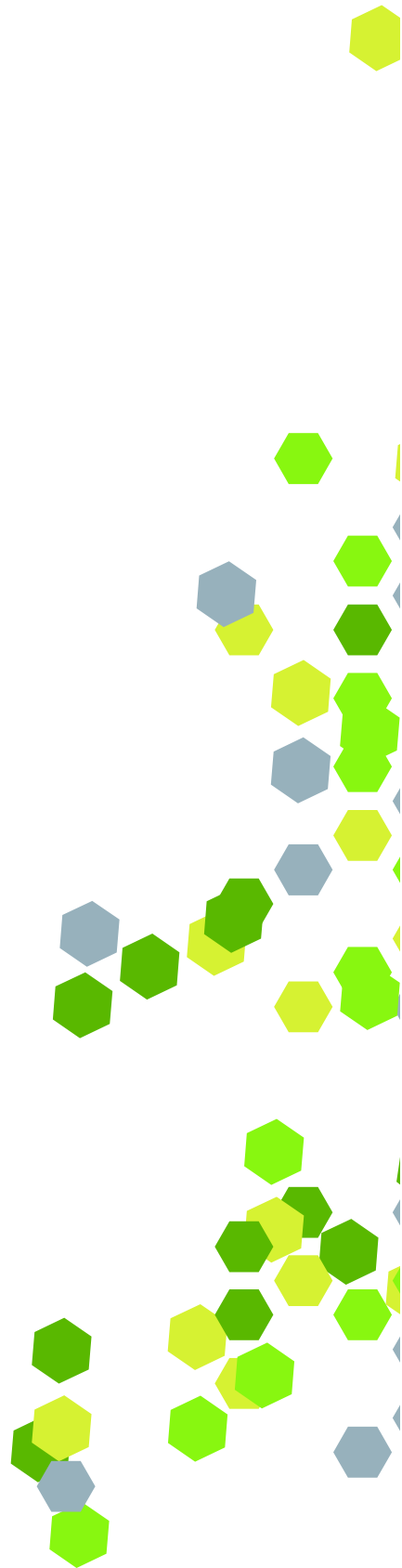
Accounts direction given by the Treasury in accordance with Section 4(6)(a) of the Government Trading Funds Act 1973

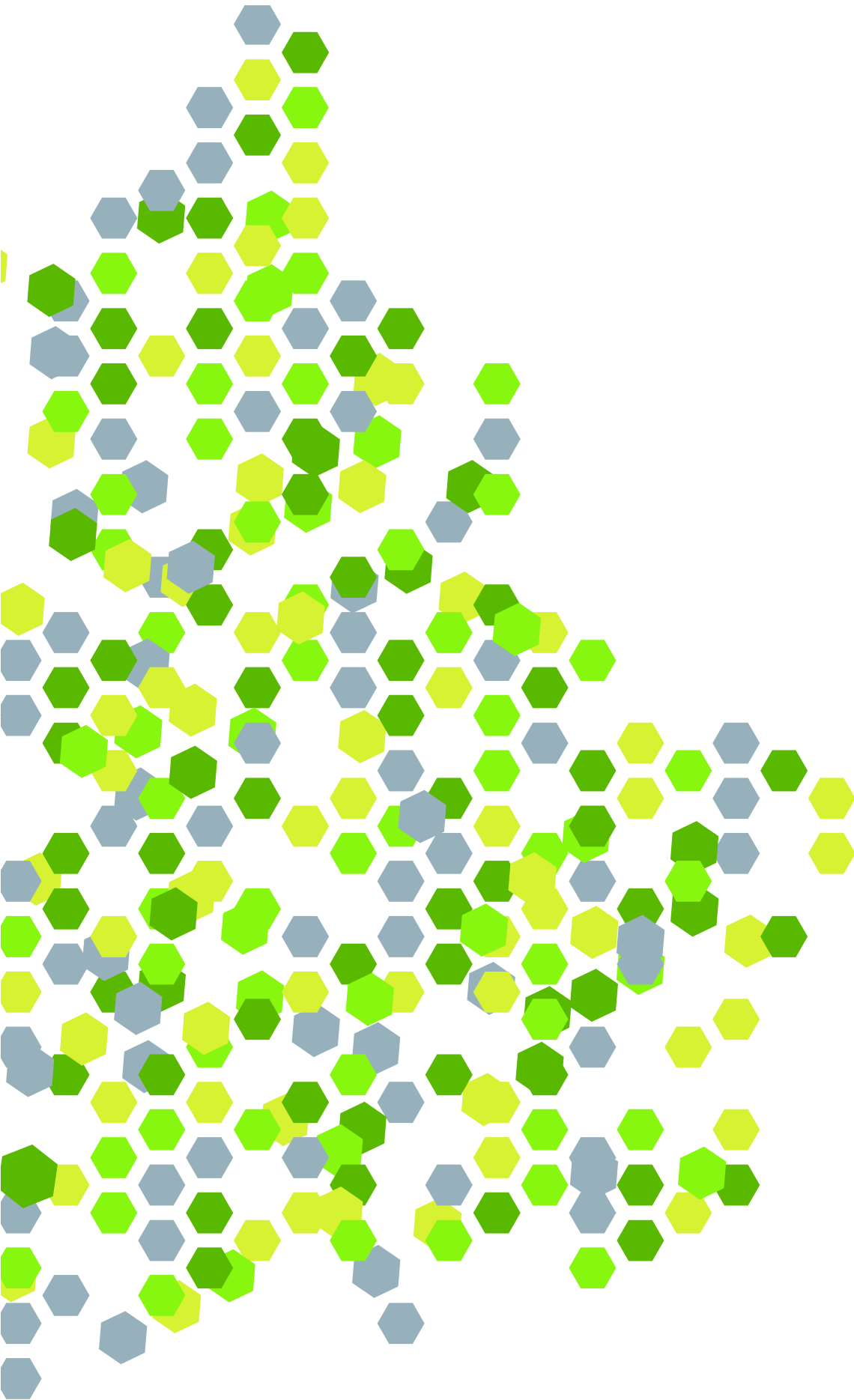
- 1 This direction applies to HM Land Registry.
- 2 HM Land Registry shall prepare accounts for the year ended 31 March 2006 in compliance with the accounting principles and disclosure requirements of the edition of the *Government Financial Reporting Manual* issued by HM Treasury ('the FReM') which is in force for 2005/6.
- 3 The accounts shall be prepared so as:
 - (a) to give a true and fair view of the state of affairs as at 31 March 2006 and of the income and expenditure, total recognised gains and losses, and cash flows of the trading fund for the year then ended; and
 - (b) to provide disclosure of any material income or expenditure that has not been applied to the purposes intended by Parliament, or material transactions that have not conformed to the authorities which govern them.
- 4 Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with the Treasury.

David Cruden FCA
Head of the Central Accountancy Team
HM Treasury
13 January 2006

Treasury minute dated 1 April 1993 HM Land Registry trading fund: setting of further financial objective for the period 1 April 1993 to 31 March 1998 (extended to 31 March 2006)

- 1 Section 4(1) of the Government Trading Funds Act 1973 provides that a trading fund established under that Act shall be under the control and management of the responsible Minister (or, where a trading fund is established for operations carried out by a person appointed in pursuance of any enactment, that person, if the order establishing the trading fund so provides in accordance with Section 1(6)(a) of the 1973 Act); and in the discharge of his functions in relation to the fund it shall be his duty:
 - (a) to manage the funded operations so that the revenue of the fund:
 - (i) consists principally of receipts in respect of goods and services provided in the course of the funded operations
 - (ii) is not less than sufficient, taking one year with another, to meet outgoings which are properly chargeable to the revenue account
 - (b) to achieve such further financial objectives as the Treasury may from time to time, by minute laid before the House of Commons, indicate as having been determined by the responsible Minister (with Treasury concurrence) to be desirable of achievement.
- 2 The trading fund for HM Land Registry will be established on 1 April 1993 under HM Land Registry Trading Fund Order 1993 (SI 1993/938). Article 3(2) of that Order provides that the trading fund shall be under the control and management of the Chief Land Registrar.
- 3 The Lord Chancellor, being the responsible Minister for the purpose of Section 4(1)(b) of the 1973 Act, has determined (with Treasury concurrence) that a further financial objective desirable of achievement by HM Land Registry for the period 1 April 1993 to 31 March 2004 shall be to achieve a minimum return, averaged over the period as a whole, of 6 per cent. With effect from 1 April 2004, the minimum return, averaged over the period, was reduced to 3.5 per cent a year in the form of an operating surplus (calculated after taking into account the finance charge for any leases) expressed as a percentage of average net assets employed at current values.
- 4 Let a copy of this minute be laid before the House of Commons pursuant to Section 4(1)(b) of the Government Trading Funds Act 1973.





Appendices

Appendix 1

Key performance targets and results since 2000

Key ministerial targets		Targets, outturns and achievements						Targets for 2006/7
		2000/1	2001/2	2002/3	2003/4	2004/5	2005/6	
Financial								
Percentage return on average capital employed	Target	6	6	6	6	3.5	3.5	3.5
	Outturn	12	17.6	25.0	11.5	7.8	10.0	–
Efficiency								
Cost per unit in real terms	Target	£25.09	£23.95	£23.10	£22.17	£21.43	£21.75	£21.17
	Outturn	£23.45	£21.33	£19.06	£20.47	£20.07	£19.46	–
Cost per unit in cash terms	Target	£30.57	£29.95	£29.67	£29.07	£28.79	£29.78	£29.69
	Outturn	£28.57	£26.67	£24.48	£27.06	£26.97	£26.64	–
Throughput/speed								
Percentage of official copies and official searches processed in three working days	Target	100	100	–	–	–	–	–
	Outturn	100	100	100	–	–	–	–
Percentage of official copy and official search applications handled in two working days	Target	98	98	98	98	98	98	98
	Outturn	100	100	100	100	99	98	–
Percentage of all registrations processed in 25 working days	Target	80	80	–	–	–	–	–
	Outturn	76.3	79.1	84.6	–	–	–	–
Percentage of all registrations processed in 20 working days	Target	–	–	75	80	80	–	–
	Outturn	–	–	86.1	88.6	89	–	–
Percentage of all registrations processed in 18 working days	Target	–	–	–	–	–	80	80
	Outturn	–	–	–	–	–	89.7	–
Accuracy								
Percentage of registrations handled free of error at every Land Registry office	Target	98.50	98.50	98.50	98.50	98.50	98.50	98.5
	Outturn	98.53	98.73	98.74	98.79	98.70	98.80	–
Percentage of customers responding to the annual survey who perceive the accuracy of registrations to be excellent or good	Target	Better than 90	Better than 90	Better than 94	–	–	–	–
	Outturn	95	97.43	97.53	–	–	–	–
Overall satisfaction								
Percentage of customers who, overall, are very satisfied/satisfied with the full range of services provided by Land Registry	Target	–	–	Better than 94	Better than 94	Better than 95	Better than 95	Better than 95
	Outturn	–	–	98.68	98.34	98.4	99	–
Other								
Percentage of dealings (key customer interactions) capable of electronic delivery	Target	50	–	–	–	–	–	–
	Outturn	51.42	–	–	–	–	–	–
Percentage of titles in the Land Register capable of electronic delivery	Target	96	97	–	–	–	–	–
	Outturn	96.78	97.93	–	–	–	–	–
Percentage of title plans in the Land Register capable of electronic delivery	Target	All	–	–	–	–	–	–
	Outturn	98.3	–	–	–	–	–	–
Number of scanned pages of filed documents (millions)	Target	11	28	40	–	–	–	–
	Outturn	14.3	39.7	61.4	–	–	–	–

Key ministerial targets		Targets, outturns and achievements						Targets for 2006/7
		2000/1	2001/2	2002/3	2003/4	2004/5	2005/6	
Percentage of electronic delivery of Land Registry's services	Target	-	40	60	-	-	-	-
	Outturn	-	40	60	-	-	-	-
Number of land charges, registrations writs and orders in bankruptcy (millions)	Target	-	7	7	-	-	-	-
	Outturn	-	7.1	13.4	-	-	-	-
Percentage take-up of electronic services	Target	-	-	50	-	-	-	-
	Outturn	-	-	50.33	-	-	-	-
Draft Rules under the Land Registration Act 2002 ready for consultation	Target	-	-	July 2002	-	-	-	-
	Outturn	-	-	Achieved	-	-	-	-
Carry out a major public consultation on the possible system for e-conveyancing and prepare a final report for Ministers	Target	-	-	February 2003	-	-	-	-
	Outturn	-	-	Achieved	-	-	-	-
Make available a pilot service for e-discharges	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	Achieved	-	-	-
Make all key Land Registry information services available over the internet	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	Achieved	-	-	-
Implement the first phase of the Land Registration Act 2002	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	Achieved	-	-	-
Report to Ministers on proposals for the implementation of e-conveyancing	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	Achieved	-	-	-
Enable printing of authenticated results of official searches and searches in a customer's office	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	Achieved	-	-
Carry out a consultation on a standard form of lease	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	Achieved	-	-
Start the pilot for processing e-lodgement of forms	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	Achieved	-	-
Make Land Registry data available to the EULIS demonstrator	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	Achieved	-	-
Make scanned deeds referred to on the register available electronically via Land Register Online	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	-	Achieved	-
Register for the first time an additional 5 per cent of the area of freehold land in England and Wales	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	-	Achieved	-
Provide a further data centre for business continuity purposes	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	-	Achieved	-
Complete electronic document authentication prototyping	Target	-	-	-	-	-	-	-
	Outturn	-	-	-	-	-	Achieved	-
Introduce imagery-based access to Land Register Online	Target	-	-	-	-	-	-	2006/7
	Outturn	-	-	-	-	-	-	-
Add a further 700,000 hectares of land to the total area of registered freehold land in England and Wales	Target	-	-	-	-	-	-	2006/7
	Outturn	-	-	-	-	-	-	-
Introduce a prototype chain matrix service to provide transparency to residential conveyancing chains	Target	-	-	-	-	-	-	2006/7
	Outturn	-	-	-	-	-	-	-
Establish a Land Registry Portal as a first step in implementing a single integrated customer interface for all online Land Registry information and services	Target	-	-	-	-	-	-	2006/7
	Outturn	-	-	-	-	-	-	-

Appendix 2

Summary of intakes 2004/5 and 2005/6

Summary of intakes	2004/5 (254 working days)	2005/6 (255 working days)	Variance %
Applications			
First registrations	297,405	309,609	4.1
Dispositional first leases	178,407	199,673	11.9
Transfers of part of registered land	194,227	186,533	-4.0
Dealings of whole with registered land	4,874,931	4,633,621	-5.0
Preliminary services (OS, OC, CI, SIM, PIC)	12,304,892	13,397,544	8.9
Corres (excl. PIC, Form 313 and Register views)	461,838	449,024	2.8
Telephone and enquiry services	6,564,312	5,154,711	-21.5
Register views (LR Direct, NLIS and LR Online)	5,901,899	6,811,888	15.4
Filed plan views (LR Direct, NLIS and LR Online)	379,690	988,355	160.3
Document views (LR Direct and NLIS)	36,165	105,189	190.9
Total services	31,193,766	32,236,147	3.3
Preliminary services			
Official copies			
By post	2,641,453	2,268,805	-14.1
By e-services	1,391,213	2,822,286	102.9
By phone	1,042,530	1,061,646	1.8
Total official copies (less CIs)	5,075,196	6,152,737	21.2
Official searches			
By post	858,166	555,261	-35.3
By e-services	1,250,201	2,288,805	83.1
By phone	1,603,623	922,799	-42.5
Total official searches (OS1 + OS2 - MH3)	3,711,990	3,766,865	1.5
Official searches of the index map			
By post	1,923,085	1,792,247	-6.8
By e-services	964,846	703,122	-27.1
By phone	464,758	758,113	63.1
Total official searches of the index map	3,352,689	3,253,482	-3.0
Certificate of inspection of title plan (CI)	16,113	15,569	-3.4
Matrimonial homes searches (Form MH3)	148,383	208,971	40.8
Register views (LR Direct, NLIS and LR Online)	5,901,899	6,811,888	15.4
Filed plan views (LR Direct, NLIS and LR Online)	379,690	988,355	160.3
Document views (LR Direct and NLIS)	36,165	105,189	190.9
Personal searches of the register (PIC)	521	3,453	562.8
Total services	18,622,646	21,306,509	14.4
Other services			
Form 313	11,855	5,987	-49.5
Property price bespoke reports	572	462	-19.2
Total services	12,427	6,449	-48.1

Appendix 3

Statement of service standards

Setting our standards

Customer feedback helps us to make sure our service meets your needs. Our standards are set and reviewed every year by the Secretary of State for Constitutional Affairs and Lord Chancellor to make sure that we improve our level of service and performance.

We:

- carry out a customer satisfaction survey every year
- invite customers who come into our offices to fill in a satisfaction questionnaire
- hold regular meetings with representative groups and customers
- pay attention to comments, suggestions and complaints.

If you would like to make any comments or suggestions about our service, please contact the customer service manager at any of our offices.

We also encourage our staff to put forward their ideas for improving our service.

Providing value for money

We review our fees each year and only charge what we need to recover our overhead costs, such as capital expenditure or new equipment, buildings and so on, to provide a return on our net assets.

Where do we publish our service targets?

We display our main service targets, and details of our performance against these targets, in the customer information centre at every office. We also publish them on our website, in customer newsletters and in this document.

Our service standards

Accuracy

We aim to deal with all applications without making any mistakes. If we do make a mistake, we will try to put it right as soon as possible. However, the state guarantee of title means that, in appropriate circumstances, we may pay compensation for the mistake rather than alter the register. We consider each case on its merits.

Speed of service

We aim to deal with all searches and requests for official copies within three working days.

We aim to deal with all applications for registration within five weeks. If we cannot do this we will write to tell you why there is a delay and what we are doing about it.

Correspondence

We aim to reply to correspondence within five working days. This applies to letters, faxes and emails. If we cannot do this we will write to explain why and tell you when you can expect a reply.

This standard does not apply to requests for information under the Data Protection Act, which we will respond to within 40 days.

Personal callers

We aim to see visitors with an appointment straight away and visitors without an appointment within 10 minutes of their arrival. You may visit us between 8.30am and 6pm Monday to Friday, except public holidays.

Phone enquiries

We will answer phone calls quickly and helpfully. We aim to answer 80 per cent of calls to general enquiries within 20 seconds and all calls within 30 seconds. We will try to answer your question straight away. However, if we cannot do this we will contact you within five working days with a reply, or tell you when you can expect one.

Land surveys

Sometimes we need to survey land before we can complete an application to register or deal with land. If so, we will tell the person who sent in the application as well as the owner or occupier of the property. All our surveyors carry proof of their identity.

What happens when I contact you?

All of our offices, including our Head Office, have a customer information centre and provide a general enquiry phone service. Our office in Wales also offers a Welsh-speaking service.

Our staff are committed to meeting your needs and will:

- give you their name
- be helpful and treat you in a polite and professional way
- give you advice on how to fill in our forms either personally or by giving you an information leaflet
- arrange for you to discuss any problems with the local customer service manager
- make arrangements for urgent or complicated registrations.

We cannot give you legal advice. If you need legal advice you should see a solicitor or contact your local Citizens Advice Bureau.

If you want to make an application or enquiry in person, you can visit any customer information centre. You can call in to see us any time during our opening hours without having to make an appointment. Our opening hours are 8.30am to 6pm Monday to Friday, except public holidays. All our offices have wheelchair access and our staff receive training in communicating with people who have a hearing impairment.

We will do our best to help.

Please tell us if you would like:

- help understanding the information we give you
- the information in a different language or format, such as on audio tape or in large print
- an adviser, friend or member of your family involved when you deal with us.

Customers who have a hearing impairment

Textphone and Minicom users can contact us on freephone 0800 015 3552. Or you can visit our customer service page on the internet at www.landregistry.gov.uk/customerservice

What if I have a complaint?

We appreciate that mistakes can be annoying but sometimes things do go wrong. You can complain in person, by phone or in writing (including fax, email and through our website). Please let us know if you would like someone to help you make your complaint.

All our staff follow a standard procedure so you can be sure that we will investigate your complaint fully and fairly.

We will acknowledge your complaint on the day we receive it and aim to give you a full reply within five working days. If we cannot do this, we will write to let you know why there has been a delay and what we are doing about it.

If you need to complain

If you are not satisfied with our service, or you think we have made a mistake, please tell the staff at the office concerned and they will do their best to put things right.

Customer service manager

If you are still not happy, the local customer service manager is the best person to help you. If you are not sure which office you need, you can contact the customer service manager at any office.

The Agency Customer Service Manager

We hope to put right complaints at local office level. However, if you are not satisfied with the response you get, or the way we handled your complaint, you can contact our Agency Customer Service Manager at:

Land Registry, Head Office
Lincoln's Inn Fields
London WC2A 3PH
Tel: 0800 015 8002
Fax: 020 7166 4362
Email: customer.service@landregistry.gsi.gov.uk

You can get more information on our website at:
www.landregistry.gov.uk

Independent Complaints Reviewer (ICR)

If you have contacted our Agency Customer Service Manager and you are still not satisfied with our response, you can get in touch with the ICR at:

New Premier House (Second Floor)
150 Southampton Row
London WC1B 5AL
Tel: 020 7278 6251
Fax: 020 7278 9675
Email: enquiries@icr.gsi.gov.uk

The ICR will usually only investigate complaints that have been through our internal complaints procedure. You should contact the ICR within six months of us completing our investigation into your complaint.

You can get more information and guidance on the ICR's website at:
www.icrev.demon.co.uk

Other options

- You can contact your Member of Parliament (MP) to contact us on your behalf.
- If you are not satisfied with the outcome of your complaint, or the way it has been handled, you can ask an MP to refer your complaint to the Parliamentary Ombudsman. The Ombudsman will accept a referral from any MP but you should approach your own MP first.

For more information about the Ombudsman, please contact:

The Parliamentary and Health Service Ombudsman
Millbank Tower
Millbank
London SW1P 4QP
Helpline: 0845 015 4033
Fax: 020 7217 4160
Email: phso.enquiries@ombudsman.org.uk

The Parliamentary Ombudsman's website is at:
www.ombudsman.org.uk

Appendix 4

Our strategic objectives for 2006/7

Our mission is to provide the world's best service for guaranteeing ownership of land and facilitating property transactions.

Our 10-Year Strategic Plan takes us to 2016 and describes how Land Registry will accomplish its mission. Our strategic objectives are set out below.

Throughout this period and beyond we will address strategic objectives 1 and 2 by continually improving our services and ensuring that our legislation is up to date and meets the needs of our stakeholders. We have targeted 2012 as the year in which we expect to have achieved strategic objective 3 by completing the Land Register for England and Wales. Strategic objectives 4, 5 and 6 will be achieved progressively over the period.

- 1 Continue to make improvements to the delivery of services to all stakeholders.
- 2 Deliver timely and effective secondary legislation in relation to land registration.
- 3 Create a comprehensive Land Register for England and Wales.
- 4 Introduce an electronic conveyancing system through which most property transactions will be effected.
- 5 Make all land registration data electronically accessible to everyone
- 6 Develop a broader range of services for property professionals, the public and others.

This is a tough agenda. But we will deliver it because we are passionate about making property transactions easier for all. That is our vision.

We want Land Registry to be at the heart of the most efficient property market in the world. A property market to which Land Registry brings transparency, helping buyers and sellers with what is probably the most important transaction they will ever make – a property market in which they have confidence because they are kept fully informed.

Appendix 5

Key performance targets for 2006/7

To ensure that our customers continue to receive an excellent land registration service, the following targets have been set by the Secretary of State for Constitutional Affairs and Lord Chancellor.

	Target 2005/6	Target 2006/7
Customer service		
Speed		
Percentage of official copy and search applications processed within two working days	98	98
Percentage of all registrations processed within 18 working days	80	80
Accuracy		
Percentage of registrations processed free of any error	98.5	98.5
Overall satisfaction		
Percentage of customers who, overall, are very satisfied/satisfied with the full range of services provided by Land Registry ¹	Better than 95	Better than 95
Financial		
Percentage return on average capital employed	3.5	3.5
Efficiency		
Cost per unit in cash terms ² (real terms) ³	£29.78 ⁴ (£21.75)	£29.69 (£21.17)
Critical action points		
Customer service		
Introduce imagery-based access to Land Register Online	n/a	
Land registration		
Add a further 700,000 hectares of land to the total area of registered freehold land in England and Wales	n/a	
Electronic service delivery		
Introduce a prototype chain matrix service to provide transparency to residential conveyancing chains	n/a	
Other business development		
Establish a Land Registry Portal as a first step in implementing a single integrated customer interface for all online Land Registry information and services	n/a	

¹ Results from quarterly satisfaction survey year to date from quarters 1,2 and 3, next results due April 2006.

² This is a final year target towards the HM Treasury-agreed cost per unit target for 2006/7 of £29.94 in cash terms (£21.17 in real terms). Target adjusted for revised pension costs.

³ Based on the GDP deflator issued by HM Treasury on 29 March 2006 (base year 1992/3).

⁴ The real terms unit cost in the base year of 1992/3 was £30.65.

Appendix 6

Key performance targets and wider business performance explained

Key performance target	Explanation														
Customer service															
Speed															
Percentage of official copy and official search applications processed within two working days	Official copies and official searches of the Land Register are time-sensitive applications made at the start of the conveyancing process. Measurement is an average of monthly 'snapshots'.														
Percentage of all registrations processed within 18 working days	Registrations are defined as all substantive applications for registration received, including those subsequently delayed through incomplete/incorrect lodgement. Measurement is an average of monthly 'snapshots'.														
Accuracy															
Percentage of registrations processed free of any error	Measurement is by continuous monthly recording of errors returned by customers for correction, as a percentage of all registrations processed.														
Overall satisfaction															
Percentage of customers who, overall, are very satisfied/satisfied with the full range of services provided by Land Registry	Measurement is by continuous monthly monitoring through customer questionnaires and through the annual customer satisfaction survey.														
Financial															
Percentage return on average capital employed	The operating surplus for the year as shown in the income and expenditure account (after taking into account the profit or loss on disposal of capital assets) expressed as a percentage of the average of net assets for the current and previous year. It is payable as a dividend to the Consolidated Fund of up to 3.5 per cent.														
Efficiency															
Cost per unit	A unit is a comparative measurement of the relative cost of the effort required to process any category of application handled by Land Registry. An application lodged against the whole of a registered title (dealing) is set at a unit value of 1. All other application categories are measured against this standard and weighted accordingly:														
	<table border="0"> <thead> <tr> <th style="text-align: left;">Category of work</th> <th style="text-align: left;">Unit weighting</th> </tr> </thead> <tbody> <tr> <td>First registrations</td> <td>3.30</td> </tr> <tr> <td>Dispositional first leases</td> <td>5.30</td> </tr> <tr> <td>Transfers of part</td> <td>4.90</td> </tr> <tr> <td>Dealings of whole</td> <td>1.00</td> </tr> <tr> <td>Official copies</td> <td>0.25</td> </tr> <tr> <td>Official searches</td> <td>0.10</td> </tr> </tbody> </table>	Category of work	Unit weighting	First registrations	3.30	Dispositional first leases	5.30	Transfers of part	4.90	Dealings of whole	1.00	Official copies	0.25	Official searches	0.10
Category of work	Unit weighting														
First registrations	3.30														
Dispositional first leases	5.30														
Transfers of part	4.90														
Dealings of whole	1.00														
Official copies	0.25														
Official searches	0.10														

Cost per unit (real and cash terms)

For management purposes, the annual real terms cost per unit (CPU) milestone is converted to a cash basis using prevailing Gross Domestic Product (GDP) deflators issued by HM Treasury.

The cash CPU is the total operating costs, on an accruals basis (excluding the cost of accepted indemnity claims, commonhold, e-conveyancing and index map vectorisation costs), divided by the units of work processed.

Regular monitoring against the annual 'real terms' CPU milestone is achieved by dividing the CPU in cash terms by the prevailing GDP deflator.

Critical action points

Customer service

Make scanned deeds referred to on the register available electronically via Land Register Online (2005/6)

The Prime Minister has set a target to make all key public services available online by 2005. Deeds referred to on the register must be read in conjunction with the register entry where the relevant text has not been extracted in full on the register.

Introduce imagery-based access to Land Register Online (2006/7)

To remove the current obstacle of there being no online alternative to a textual search to enable customers to enquire of the current registered status of land, identified by means of a map, either in isolation or in conjunction with text-based searching.

Land registration

Register for the first time an additional 5 per cent of the area of freehold land in England and Wales (2005/6)

This is a milestone target towards total registration by 2012. The additional 5 per cent will take the total percentage area of registered freehold land in England and Wales to 55 per cent.

Add a further 700,000 hectares of land to the total area of registered freehold land in England and Wales (2006/7)

This is a milestone target towards a comprehensive Land Register. It is expressed this year in area rather than percentage terms as this can be more visibly measured than a percentage target and will allow for more transparent targets to be set for each of our 24 offices.

Electronic service delivery

Provide a further data centre for business continuity purposes (2005/6)

Needed to ensure our IT systems are robust enough for e-conveyancing.

Introduce a prototype chain matrix service to provide transparency to residential conveyancing chains (2006/7)

Proof of concept for a major feature of our proposed e-conveyancing service.

Other business development

Complete document authentication prototyping (2005/6)

Here we piloted electronic signatures.

Establish a Land Registry Portal as a first step in implementing a single integrated customer interface for all Land Registry information and services (2006/7)

The first stage in providing the infrastructure to enable integrated online services to Land Registry customers and set the foundations for the full transactional e-conveyancing service.

Wider business performance

Explanation

Customer service

Speed

Percentage of customers who are very satisfied/satisfied with the speed of service of official copies and official search applications

Measurement is by continuous monthly monitoring through customer questionnaires and through the annual customer satisfaction survey.

Percentage of customers who are very satisfied/satisfied with the speed of service of applications

Measurement is by continuous monthly monitoring through customer questionnaires and through the annual customer satisfaction survey.

Average number of days taken to process:
first registrations
dispositional first leases
transfers of part
dealings of whole
official copies
official searches

Applications are electronically recorded on receipt and on completion. If an application is incorrectly lodged, the number of working days' delay incurred in resolving the issue is included in the recorded processing time.

First registrations, requiring a full examination of title, and dispositional first leases, requiring consideration of long and often complex leases, take the longest time to process in Land Registry. Transfers of part can be very complex, involving detailed consideration of easements. Official copies and official searches are now virtually all processed electronically.

Percentage of general correspondence (letters, faxes and emails) responded to within five working days

Does not include correspondence with MPs, correspondence relating to current official applications, complex and contentious casework or where the Code of Practice on Access to Government Information or the Data Protection Act 1998 are referred to.

Accuracy

Percentage of customers who are very satisfied/satisfied with the accuracy of applications

Measurement is by continuous monthly monitoring through customer questionnaires and through the annual customer satisfaction survey.

Overall satisfaction

Percentage of customers who, overall, are very satisfied with the full range of services provided by Land Registry

This measure is to ensure that levels of very satisfied customers are maintained. It is taken from our annual customer satisfaction survey and our bi-monthly mini satisfaction surveys.

Financial

Percentage cumulative reduction in fees since becoming a trading fund

Reflects the cumulative reduction in fees since Land Registry becoming a trading fund in 1993.

Strategic

Number of registered titles
(millions)

This figure represents the current size of the Land Register for England and Wales. We estimate a complete Land Register to be around 23 million titles.

Percentage (area) of freehold
land in England and Wales
registered

A process has now been developed which will allow the measurement of registered land within England and Wales to be recorded.

Number of registrations:
first registrations
discharges
mortgages
transfers of value
leases

These are key elements of the land registration process.

Appendix 7 Recruitment statement

The following information outlines Land Registry's work in the field of recruitment during 2005/6.

Land Registry recruitment activity has focused primarily on senior positions and specialist posts requiring specific skills and expertise. These have predominantly been filled using assessment centres or, for the less senior specialist posts, by a selection process specifically geared to the role concerned. There has been no recruitment at junior executive and clerical levels at local offices into the core business areas. All recruitment processes are based on the competences required for the work undertaken and have been designed to enable Land Registry to recruit those people best suited to our developing organisational needs. All appointments were made under a process of fair and open competition.

Land Registry's recruitment procedures are conducted on the basis of fair and open competition, in accordance with the recruitment code laid down by the Civil Service Commissioners, and are subject to internal monitoring.

The following appointments were made during 2005/6:

Grade	Numbers appointed
Senior Civil Service (SCS1)	1
Senior Registration Administrator (SRA)	2
Registration Executive 1 (RE1)	1
Registration Executive 2 (RE2)	14
Registration Officer (RO)	3
Registration Assistant (RA)	5
Total	26

Land Registry's continued commitment to diversity and equality of opportunity is reflected in its recruitment procedures, which are continually monitored and evaluated. The following statistics relate to the staff shown in the table above.

Grade	Male	Female	Ethnic minorities	Disabled
Senior Civil Service (SCS1)	1	0	0	0
Senior Registration Administrator (SRA)	1	1	0	0
Registration Executive 1 (RE1)	1	0	0	0
Registration Executive 2 (RE2)	12	2	1	0
Registration Officer (RO)	1	2	0	0
Registration Assistant (RA)	2	3	0	0
Total	18	8	1	0

Note: Not all recruits declared their ethnicity or disability status.

No appointments were made under the exceptions to the recruitment principles permitted by the Civil Service Commissioners.

Appendix 8

Useful Land Registry publications and links

The following is a list of useful publications produced by Land Registry. In addition to the publications listed here, a comprehensive range of practice materials is available to download from Land Registry's website (www.landregistry.gov.uk).

Single copies of any of the documents listed here or referred to on the website can be obtained from any Land Registry office (see Appendix 9 for details).

Information

Land Registry 10-Year Strategic Plan
Land Registry Annual Business Plan (from 1998 to the present day)
Land Registry Publication Scheme
Land Registry Annual Report and Accounts (from 1998 to the present day)
A Short History of Land Registration in England and Wales
Land Registry Customer Service Survey Short Report (from 1997 to the present day)
Land Registry Customer Survey Short Report (from 2000 to the present day)
Land Registry Service Standards
Land Registry Welsh Language Scheme
Putting Things Right – A guide to the Land Registry complaints procedure (also available in large print, Braille and on audio cassette)
Seeking a Fair Resolution: Land Registry Independent Complaints Reviewer Leaflet (also available on audio cassette)
Land Registry Framework Document (2003)
Land Registry Residential Property Price Reports (quarterly since 1995)
Land Registry Inventory of Land Administration Systems in Europe and North America, Second Edition (Parts I, II and III)

Practice material

A comprehensive range of official application forms and practical information relating to land registration is available to download free of charge from Land Registry's website.

Land Registry on the internet

Through visiting www.landregistry.gov.uk you can access a range of information and services, including Land Register Online, Land Registry Direct and our main Welsh language site.

Appendix 9 Contact details for Land Registry offices

Head Office

Lincoln's Inn Fields
London
WC2A 3PH
Tel: 020 7917 8888

Durham (Southfield) Office

Southfield House
Southfield Way
Durham
DH1 5TR
Tel: 0191 301 3500

Birkenhead (Old Market) Office

Old Market House
Hamilton Street
Birkenhead
Merseyside
CH41 5FL
Tel: 0151 473 1110

Gloucester Office

Twyver House
Bruton Way
Gloucester
GL1 1DQ
Tel: 01452 511111

Birkenhead (Rosebrae) Office

Rosebrae Court
Woodside Ferry Approach
Birkenhead
Merseyside
CH41 6DU
Tel: 0151 472 6666

Harrow Office

Lyon House
Lyon Road
Harrow
Middlesex
HA1 2EU
Tel: 020 8235 1181

Coventry Office

Leigh Court
Torrington Avenue
Tile Hill
Coventry
CV4 9XZ
Tel: 024 7686 0860

Kingston upon Hull Office

Earle House
Colonial Street
Hull
HU2 8JN
Tel: 01482 223244

Croydon Office

Sunley House
Bedford Park
Croydon
CR9 3LE
Tel: 020 8781 9103

Lancashire Office

Wrea Brook Court
Lytham Road
Warton
Lancashire
PR4 1TE
Tel: 01772 836700

Durham (Boldon) Office

Boldon House
Wheatlands Way
Pity Me
Durham
DH1 5GJ
Tel: 0191 301 2345

Leicester Office

Westbridge Place
Leicester
LE3 5DR
Tel: 0116 265 4000

Lytham Office

Birkenhead House
East Beach
Lytham St Annes
Lancashire
FY8 5AB
Tel: 01253 849849

Swansea Office

Tŷ Bryn Glas
High Street
Swansea
SA1 1PW
Tel: 01792 458877

Nottingham (East) Office

Robins Wood Road
Nottingham
NG8 3RQ
Tel: 0115 906 5353

Telford Office

Parkside Court
Hall Park Way
Telford
TF3 4LR
Tel: 01952 290355

Nottingham (West) Office

Chalfont Drive
Nottingham
NG8 3RN
Tel: 0115 935 1166

Tunbridge Wells Office

Forest Court
Forest Road
Hawkenbury
Tunbridge Wells
Kent
TN2 5AQ
Tel: 01892 510015

Peterborough Office

Touthill Close
City Road
Peterborough
PE1 1XN
Tel: 01733 288288

Wales Office

Tŷ Cwm Tawe
Phoenix Way
Llansamlet
Swansea
SA7 9FQ
Tel: 01792 355000

Plymouth Office

Plumer House
Tailyour Road
Crownhill
Plymouth
PL6 5HY
Tel: 01752 636000

Weymouth Office

Melcombe Court
1 Cumberland Drive
Weymouth
Dorset
DT4 9TT
Tel: 01305 363636

Portsmouth Office

St Andrew's Court
St Michael's Road
Portsmouth
Hampshire
PO1 2JH
Tel: 023 9276 8888

York Office

James House
James Street
York
YO10 3YZ
Tel: 01904 450000

Stevenage Office

Brickdale House
Swingate
Stevenage
Hertfordshire
SG1 1XG
Tel: 01438 788889

**Land Charges and Agricultural
Credits Departments**

Plumer House
Tailyour Road
Crownhill
Plymouth
PL6 5HY
Tel: 01752 636666

**Land Registry
Information Systems**

Seaton Court
2 William Prance Road
Plymouth
PL6 5WS
Tel: 01752 640000

**Land Registry
Telephone Services**

Land Registry Telephone Services is a quick and convenient alternative to postal applications, but is only available to customers with a Land Registry credit account.

*By calling **0845 308 4545** (calls charged at the local rate) customers can apply for a range of Land Registry and Land Charges searches and official copies.

A Welsh language telephone service is available on **0845 307 4535**.

Further information can be obtained from the customer service manager at any Land Registry office.

*Please note that calls may be recorded.

Appendix 10

Glossary of terms

Application

Any request for the various Land Registry services. This includes pre- and post-completion services (see below).

Business unit

Each of the 24 local offices, Information Systems Group and Land Charges Department (both based in Plymouth) and Land Registry Head Office in London operate as separate autonomous business units. Each has responsibility for remaining within centrally allocated staff and non-staff budgets.

Chain matrix

The chain matrix is a proposed feature of e-conveyancing that will show details of all transactions in a chain and the stage they have reached. It will also provide an element of control and coordination at key stages in the process and allow each party to indicate willingness to proceed to exchange.

Chargee (or mortgagee)

The lender of money secured by a charge or mortgage.

Chargor (or mortgagor)

A property owner who borrows money on a mortgage and charges the property as security for the loan.

Combined operations

Multi-skilled staff processing new title casework from receipt to despatch in one operation.

Day list

An index of all applications pending in Land Registry. It regulates the priorities between applications affecting the same title number.

Dealing

An application affecting a registered title (other than a pre-completion service), usually taken to mean a dealing with the whole of the title.

Dispositional first lease

The first registration of a leasehold estate created out of a registered title.

E-charges

In the same way that a mortgage can be automatically removed from the register by way of an e-discharge, a mortgage can automatically be added to the register when a new account is added to a lender's computer.

E-discharges

A means by which mortgage entries may be cancelled by a mortgage via a machine-to-machine transaction without any intervention by Land Registry staff.

Electronic certificate

An official document held in electronic format. The Electronic Communications Act 2000 provides a legal infrastructure for e-business. The Act stops short of amending or overriding existing legislation that requires hand-written signatures, but Section 8 empowers the Secretary of State for Constitutional Affairs and Lord Chancellor to change legislation by Statutory Instrument to authorise or facilitate electronic communications and storage of documents, instead of other forms of communication or storage.

Electronic register updates

A system that will automatically process an electronically lodged application to change the register.

E-lodgement

This is an electronic system that Land Registry Direct users can use to lodge certain types of application to change the register.

First registration

The registration of title to unregistered land.

Future Leaders

Land Registry's programme to identify and develop staff who have the potential and commitment to rise to more senior management levels. The scheme was launched in April 2005 as a replacement for the former FOCUS accelerated development scheme.

Land Register Online

Public access via the web to Land Registry information with payment by credit card.

Land Registry Direct

An online service for Land Registry credit account holders, providing them with speedy electronic access to a range of Land Registry information.

New title casework

Applications that require the issue of a new title number – first registrations, dispositional first leases and transfers of part.

Official copy

Official copies of deeds and documents in Land Registry, including the register and title plan.

Official search of part

A search of part of a registered title also securing priority.

Official search of whole

A search of the whole of a registered title that also secures priority for the impending transactions.

Polygon

An electronically created multi-sided figure representing the registered extent of a given title on the vectorised index map.

Post-completion application

An application for registration lodged after the completion of the sale or mortgage.

Pre-completion application

An application seeking information or priority for a transaction prior to the completion of the sale or mortgage. Applications, which comprise searches of the index map, official searches of part and whole and official copies, may be lodged in person, by post, fax, telephone and through Land Registry Direct.

Real-time priority

Real-time priority brings a change to Land Registry's rules concerning the priorities of official searches and post-completion applications. It extends the time during the working day available to practitioners to lodge these applications by giving them priority from the moment they are entered on the day list (see above).

Search of the index map (SIM)

A search of Land Registry's public index maps to ascertain whether or not a property is registered and, if so, its title number.

Single handling

Multi-skilled staff processing 'dealing' applications online, in one operation.

Title

The evidence of a person's right to property.

Title plan

A plan prepared for individual titles showing the extent of the registered title.

Transfer of part (TP)

A transfer or charge of part of a registered title.

Tranche

Land Registry has adopted a tranche approach for the delivery of e-conveyancing. A tranche is a body of work within the e-conveyancing programme that delivers a clearly defined business benefit (set of business services) to both Land Registry and our customers.

Unit

A comparative measurement of the relative cost of the effort required to process any category of work handled by Land Registry.

Vector index map

Polygons have been created for every registration existing on the paper index map of England and Wales (more than 17 million). The polygons are linked to the Computerised Property Description Database and Land Registry Property Gazetteer, thus creating a vector index map that can be accessed by all users of Land Registry's mapping system and external customers via Land Registry Direct and NLIS. The project to convert the index map was completed in February 2004.

Appendix 11 Land Registry corporate governance structure (with effect from 1 April 2006)



Overall purpose of each main board

Land Registry Board assists the Chief Land Registrar and Chief Executive in his ultimate responsibility and accountability for the good governance and performance of Land Registry.

Executive Board delivers the annual business plan and is responsible for day-to-day management of Land Registry.

Overall purpose of each sub-board

Pay Committees administer Senior Civil Service annual pay reviews.

Audit Committee provides assurance to the Board that Land Registry's activities are being undertaken in accordance with proper standards of public accountability.

Business Risk Board ensures that key business risks are identified and managed.

Business Change Programme Board develops the blueprint for Land Registry's future and keeps this under review. Ensures that activities are being undertaken that are required in order for the blueprint to be achieved.

E-conveyancing Programme Board develops the information systems and other systems to deliver e-conveyancing, ensuring that it meets the needs of external customers. Provides clear description of outputs from the system which will enable the implementation of e-conveyancing within Land Registry to be managed outside the programme.

Business Development Board develops non-statutory services (excluding e-business and the International Unit), overseeing the development of these new services and, once up and running, transferring the responsibility to operational management.

Registration Change Board manages the programme of projects and reviews aimed at improving the delivery of statutory and non-statutory services handed over to operational management. Provides continuous improvement.

Budget and Planning Board sets the annual budget, agrees the process for mid-year variations in budget and ensures that the budgeting and planning processes work well together.

Technical Issues Board considers detailed/complex issues that require clarification of existing practice guidance.

Programme Management Board sets project and programme methodology and monitors to ensure that Land Registry is operating within those guidelines. Obtains information on timescales to ensure the resource is planned to meet the project/programme needs.

Customer Services Board liaises with customers to ensure that we deliver high standards of customer service and ensure that Land Registry staff have ways of improving their service to customers.

Appendix 12

Land Registry's risk management policy

Purposes

To practise effective and transparent risk management by developing sound practice and procedures enabling informed choices and 'world-class' risk management thus protecting stakeholders' interest in the business.

Scope

This policy applies to all Land Registry personnel in all locations since the management of risk is the responsibility of everyone. Individuals must look at not only the risk of things going wrong but also the impact of missing opportunities.

Policy

Land Registry will:

- follow Office of Government Commerce best practice
- align risk management activity to corporate functional strategies
- encourage fully evaluated risk taking, the grasping of new opportunities and the use of innovative approaches to improve processes and achieve corporate objectives
- identify, consider and manage risks associated with proposed actions and decisions to ensure exposure remains within acceptable parameters
- use risk analysis as part of strategic, business and investment planning, considering risks in isolation and in clusters
- cost-effectively treat, tolerate, transfer, terminate or take advantage of risk, as appropriate to the size of the risk
- register all risks, showing ownership and the actions that are in place to manage the risks
- have a defined process for setting tolerance and for the escalation reporting of risks
- provide training on risk management to members of staff supported by guidance material
- encourage a blame-free culture that promotes the spread of best practice and lessons learned
- provide information on the reliability of Land Registry's systems of internal control which will be crucial in providing the necessary assurance of Land Registry's professional experience and competence
- enable independent assessment of the above
- deliver this policy through the process and procedures published on the intranet.

Enforcement

The Business Risk Board has direct responsibility for maintaining the policy and providing assurance that it is being adhered to. Any deviations from the policy must be reported by the Business Risk Board.

Review

The Business Risk Board will review the policy annually.



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